

**AGENDA**  
**REGULAR MONTHLY CONFERENCE CALL MEETING OF THE**  
**BOARD OF DIRECTORS**  
**SEAL BEACH MUTUAL FIVE**  
**October 19, 2022**  
**Meeting begins at 9:00 a.m.**  
**Building 5, Conference Room B / Zoom Video and Conference Call**

**TO ATTEND:** The Shareholder will be provided with instructions on how to access the call via telephone upon the Shareholder contacting Mutual Administration and requesting the call-in information. Please submit your information, including your name, Unit number, and telephone number, via e-mail at [mutualsecretaries@lwsb.com](mailto:mutualsecretaries@lwsb.com), by no later than 3:00 p.m., the business day before the date of the meeting.

**TO PROVIDE COMMENTS DURING MEETING:** In order to make a comment during the open Shareholder forum, the Shareholder must (i) notify their parcel director of their intent to speak during Shareholder open forum, or (ii) submit their information, including their name, Unit number, and telephone number, via e-mail at [mutualsecretaries@lwsb.com](mailto:mutualsecretaries@lwsb.com), by no later than 3:00 p.m., the business day before the date of the meeting.

1. CALL TO ORDER/ PLEDGE OF ALLEGIANCE
2. ROLL CALL
3. SHAREHOLDERS' COMMENTS (limited to 2-3 minutes per shareholder)
4. INTRODUCTION OF GRF REPRESENTATIVE, STAFF, AND GUEST(S):

Mr. Thompson, GRF Representative  
Mr. Meza, Building Inspector  
Ms. Barua, Portfolio Specialist  
Ms. Vasquez, Acting Portfolio Specialist

5. APPROVAL OF MINUTES:
  - a. **Regular Meeting Minutes of September 21, 2022.**
  - b. **Special Meeting Minutes of September 21, 2022 (pp.)**
6. **GRF REPRESENTATIVE** Mr. Thompson
7. **BUILDING INSPECTOR'S REPORT** Mr. Meza  
Permit Activity; Escrow Activity; Contracts & Projects; Shareholder and Mutual Requests (pp.5-8)
  - a. Discuss and approve the open seating area Unit 117G (pp.9-11)
  - b. Discuss and vote to approve MP Construction proposal – Zinsco Electrical Panel replacement (pp.12-14)
8. **UNFINISHED BUSINESS**  
No Unfinished Business.
9. **NEW BUSINESS**
  - a. Monthly Finances (p.15)

- b. Discuss and vote to ratify resolution dated on 9/21/220 – Interact Technologies, LLC contract (p.16)
- c. Discuss and vote to authorize the Chief Financial Officer to invest Painting Reserves Funds (p.17)
- d. Discuss and vote to amend Rule 05-7510-01 – Eligibility Requirements (pp.18-24)
- e. Discuss and vote to rescind Policy 7701.05 – Personal Property Liability (pp.25-27)
- f. Discuss and vote to adopt Rule 05-7701-01 - Personal Property Liability (pp.28-30)
- g. Discuss and vote to rescind Policy 7585.05 - Protocol for Enforcing Governing Documents (pp.31-38)
- h. Discuss and vote to adopt Rule 05-7585-01- Protocol for Enforcing Governing Documents (pp.39-45)
- i. Discuss and vote to adopt Form 05-7415-4B - Encroachment into Common Areas for Exclusive Use (pp.46-50)
- j. Discuss and vote to change numbering on Form 05-7415-4 to Form 05-7415-4A Encroachment into Common Areas for Non-Exclusive Use (p.51)
- k. Discuss and vote to cancel December’s Monthly Board meeting (p.52)

**STAFF BREAK BY 11:00 A.M.**

- |                                      |             |
|--------------------------------------|-------------|
| 10. SECRETARY / CORRESPONDENCE       | Ms. Gardner |
| 11. CHIEF FINANCIAL OFFICER’S REPORT | Mr. Cude    |
| 12. PRESIDENT’S REPORT               | Ms. DeRungs |
| 13. PORTFOLIO SPECIALIST             | Ms. Barua   |
| 14. ANNOUNCEMENTS                    |             |

- a. **NEXT REGULAR MEETING:** Wednesday, November 16, 2022, at 9:00 a.m., Building 5, Conference Rm B and Zoom Video/ Conference Call.

15. COMMITTEE REPORTS
16. DIRECTORS’ COMMENTS
17. ADJOURNMENT
18. EXECUTIVE SESSION

**STAFF WILL LEAVE THE MEETING BY 12:00 P.M.**

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS  
SEAL BEACH MUTUAL NO. FIVE  
September 21, 2022**

The Special Meeting of the board of Directors of Seal Beach Mutual No. Five was called to order by President DeRungs at 8:35 a.m. on Wednesday, September 21, 2022, via Zoom Video Conference Call and Conference Room B.

Those members present were President DeRungs, Vice President Murphy, Chief Financial Officer Cude, Secretary Gardner, Directors Gould, Shannon, and Powell (**all Directors via Zoom**). Also present was Building Inspector Meza (**entered at 8:38 a.m., via zoom**), Acting Portfolio Specialist Vasquez, and Acting Recording Secretary Barua.

One shareholder was present.

The purpose of this meeting is to discuss and accept proposal from Greco Design and Development, Inc. for installation of attic access doors.

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

RESOLVED to approve the purchase and installation of attic doors proposed by Greco Design and Development Inc., to cover 41 buildings with 4 doors for each building at a total cost not to exceed \$57,400.00, installation to be coordinated with the roofing project. Funds to come from Infrastructure Reserves and authorize the President to sign any necessary documentation.

The MOTION passed unanimously with ROLL CALL vote.

President DeRungs adjourned the meeting at 8:55 a.m.

---

Attest: Laura Gardner, Secretary  
SEAL BEACH MUTUAL NO. FIVE  
RB: 09/21/22

## Proposal - Contract

Greco DeSign and Development, Inc.  
7438 Mohawk Circle, Buena Park, CA 90620  
714-330-3523

<b>Proposal Submitted To:</b>		<b>Job Name:</b>	<b>Date:</b>
Mutual 5 (Mike Mesa)		Aluminum Attic Doors	8/29/2022
<b>Address:</b>		<b>Job Location</b>	
Mutual 5 Leisure World		same	
Seal Beach, Ca		<b>Contact Person:</b>	
<b>Phone #:</b>	<b>FAX #:</b>	Mike Mesa	
562 431-6586 ext 397			

<b>Project Description:</b>	
* Provide and install exterior attic doors for all buildings in Mutual 5	
* Doors made of .063 Aluminum with white baked on finish	
* Stainless Steel Hinges and Door Clasps included	
* Total of <del>43</del> Buildings x 4 = <del>172</del> Attic Doors with Frames at \$350. each = <del>\$60,200</del>	
41	164
* 20 Buildings ready for installation as of this date	
* Greco will accommodate Mutual 5 on installation schedule per roof completions	

We propose hereby to furnish material and labor - complete in accordance with the above specifications for the sum of:

\$ SIXTY THOUSAND, TWO HUNDRED DOLLARS 00/100  
Deposit required with balance on completion

Any alterations or deviation from above specifications involving extra costs will be executed only upon written order, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents, or delays beyond our control.

**Respectfully submitted** \_\_\_\_\_

Note: this proposal may be withdrawn by us if not accepted within \_\_\_\_ days.

### Acceptance of Proposal - Contract

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payments will be made as outlined above.

**Signature:** \_\_\_\_\_ 

**Date of Acceptance:** \_\_\_\_\_ **Signature:** \_\_\_\_\_

BLD.      Doors    Per      Total

41 × 4 = 164 × 350 = 57,400

## INSPECTOR MONTHLY MUTUAL REPORT

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

**MUTUAL BOARD MEETING DATE: October, 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	FINAL 07/01/22	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	FINAL 06/28/22	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	FINAL 09/22/22	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	FINAL 07/01/22	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	FINAL 04/30/22	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
72-G	PATIO ELECTRICAL OUTLET	BOTH	03/10/22	05/10/22	\$350	FINAL 07/01/22	LW DÉCOR
103-G	KITCHEN REMODEL	BOTH	03/12/22	05/30/22	\$28,540	FINAL 05/17/22	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	FINAL 06/08/22	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	FINAL 07/01/22	B&B CARPET
101-K	ADDED SHOWER	BOTH	04/11/22	05/11/22	\$15,104	FINAL 09/23/22	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	FINAL 06/23/22	LW DÉCOR
125-C	HEAT PUMP	BOTH	04/25/22	07/25/22	\$3,750	FINAL 05/26/22	GREENWOOD
111-F	HEAT PUMP	BOTH	04/28/22	06/15/22	\$9,700	FINAL 05/17/22	SWIFT HEATING & AIR
102-I	COUNTER TOP	BOTH	05/01/22	07/30/22	\$6,000	FINAL 06/27/22	LW DÉCOR
104-B	PATIO FLOORING	GRF	05/01/22	06/01/22	\$3,000	FINAL 05/23/22	KARYS CARPET
109-K	FLOORING THRU OUT	GRF	05/09/22	06/30/22	\$6,390	FINAL 06/30/22	B&B CARPET
122-B	WINDOWS, DOORS, ELEC	BOTH	05/16/22	06/20/22	\$17,130	FINAL 05/25/22	OGAN CONSTRUCTION
112-G	PATIO FLOORING	GRF	05/16/22	07/08/22	\$3,283	FINAL 06/22/22	BERGKVIST
119-J	COUNTER TOP AND SINK	BOTH	05/20/22	06/30/22	\$6,400	FINAL 06/23/22	MP CONSTRUCTION
100-A	KITCHEN REM, WAS/DRYER	BOTH	06/10/22	11/30/22	\$35,500		BA CONSTRUCTION
122-B	FLOORING	GRF	06/15/22	07/15/22	\$4,725	FINAL 06/28/22	KARYS CARPET

## INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: <b>(05) FIVE</b>		INSPECTOR: <b>Mike Meza</b>					
MUTUAL BOARD MEETING DATE:		<b>October, 2022</b>					
70-F	COUNTERTOP KIT, BATH	BOTH	06/15/22	08/30/22	\$9,600	FINAL 07/29/22	MP CONSTRUCTION
113-A	WASHER/DRYER	BOTH	06/20/22	07/29/22	\$8,175	FINAL 08/02/22	VICKERS CONSTRUCTION
113-H	WINDOWS	BOTH	06/27/22	07/27/22	\$9,900	FINAL 07/27/22	VICKERS CONSTRUCTION
122-B	PATIO TILE	GRF	06/30/22	07/30/22	\$3,000	FINAL 08/10/22	KARYS CARPET
71-A	WINDOWS, SLIDER	BOTH	07/13/22	09/30/22	\$4,000		MP CONSTRUCTION
70-F	FLOORING	GRF	07/15/22	08/30/22	\$8,600		KARYS CARPET
100-D	HEAT PUMP	BOTH	07/21/22	08/21/22	\$4,800		ALPINE HEATING & AIR
95-L	BATHROOM FLOORING	GRF	07/22/22	08/30/22	\$9,500	FINAL 09/06/22	JC KRESS
114-B	FLOORING	GRF	07/25/22	08/30/22	\$1,700	FINAL 07/26/22	KARYS CARPET
109-K	WASHER AND DRYER	BOTH	07/25/22	08/26/22	\$8,000	FINAL 09/26/22	MARCO CONSTRUCTION
126-A	FLOORING	GRF	07/30/22	08/30/22	\$5,118		KARYS CARPET
113-A	NEW SKYLIGHT	BOTH	08/01/22	09/30/22	\$3,635		M&M SKYLIGHTS
101-I	CENTRAL AIR SYSTEM	BOTH	08/09/22	09/09/22	\$10,400		ALPINE HEATING & AIR
110-A	ADDED ELECTRICAL	BOTH	08/24/22	11/30/22	\$875	FINAL 09/27/22	JULIAN AGUILAR ELECTRIC
108-A	FLOORING	GRF	08/29/22	09/16/22	\$5,648	FINAL 09/26/22	CARROLL'S FLOORING
71-H	DRYWALL/ FLOORING	BOTH	09/01/22	12/31/02	\$7,150		MAMUSCIA CONSTRUCTION
110-A	SKYLIGHT FLARE	BOTH	09/07/22	11/07/22	\$6,475		VICKERS CONSTRUCTION
98-H	UNIT ASBESTOS REMOVAL	GRF	09/14/22	11/30/22			SIRRIS ABATEMENT
98-H	KITCHEN REMODEL	BOTH	09/14/22	11/30/22	\$31,240		LOS AL BUILDER
119-L	LOWER CARPORT STORAG	GRF	09/15/22	09/30/22	\$800		MJ JURADO
101-G	SOLA TUBE	BOTH	09/24/22	10/28/22	\$2,358		SOLATUBE HOME
101-I	SHOWER CUT DOWN	BOTH	09/27/22	10/28/22	\$5,116		NUKOTE
90-K	FLOORING	GRF	10/12/22	12/20/22	\$2,330		BIXBY CARPET
95-G	UNIT REMODEL	BOTH	11/20/22	03/15/23	\$138,700		JC KRESS
108-A	SHOWER CUT DOWN	BOTH	10/25/22	11/25/22	\$3,540		NUKOTE
70-F	LOWER CARPORT STORAG	GRF	11/01/22	11/15/22	\$950		MJ JURADO
97-C	SLIDING DOOR	BOTH	12/31/22	02/28/22	\$7,800		VICKERS CONSTRUCTION

## ESCROW ACTIVITY

Unit #	NMI	PLI	NBO	FI	FCOEI	ROF	ACTIVE, CLOSING, CLOSED
70-F		08/01/22	09/15/22	09/23/22	10/03/22		9 5 21
71-A		11/02/21	03/01/22	03/04/22	03/18/22	04/05/22	
71-H		04/15/22	06/07/22	06/09/22	06/23/22	07/25/22	
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	05/31/22	
96-E		05/03/22	05/26/22	06/01/22	06/15/22	06/29/22	
98-H		06/01/22	07/08/22	07/11/22	07/25/22	09/01/22	
101-B		06/21/22					
101-I		07/09/21	03/10/22	03/10/22	03/21/22	05/01/22	
103-G		08/24/21					
103-H		05/13/22	5/25/22	05/25/22	06/09/22	06/28/22	
103-L		10/01/21	03/17/22	03/21/22	04/01/22	05/23/22	
105-D		09/30/20					
106-E		09/06/22					
107-E		11/19/21	01/24/22	01/25/22	02/07/22	03/22/22	
108-A		06/21/22	07/21/22	07/26/22	08/09/22		
109-H		10/21/21	12/20/21	12/23/21	01/10/22	02/16/22	
109-K		05/17/22	06/28/22	06/28/22	07/28/22	08/24/22	
110-A		03/15/22	05/24/22	06/01/22	06/13/22	07/25/22	
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	
112-C		10/03/22					
113-A		04/19/22	05/04/22	05/11/22	05/25/22	06/10/22	

## INSPECTOR MONTHLY MUTUAL REPORT

<b>MUTUAL: (05) FIVE</b>		<b>INSPECTOR: Mike Meza</b>					
<b>MUTUAL BOARD MEETING DATE:</b>		<b>October, 2022</b>					
113-H		02/23/22	03/22/22	04/07/22	04/21/22	06/23/22	
114B		07/26/22					
114-L		07/09/20	09/12/22	09/12/22	09/26/22		
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	05/27/22	
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	05/27/22	
117-L		04/19/22	05/10/22	05/13/22	05/27/22	06/13/22	
118-D		04/26/22	07/01/22	07/11/22	07/25/22	08/11/22	
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		
124-I		09/06/22					

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 2025	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 Roofing suspended for 30 days
MP CONSTRUCTION	Electrical panels (pending BOB approval)

### SPECIAL PROJECTS

Contractor	Discription of Work
J&J LANDSCAPE	117-G Sitting area

### SHAREHOLDER AND MUTUAL REQUEST

113-J    Leak in bathroom	Inspect mutual sidewalks
101-G    Dryer vent not working	
115-F    Inspect shower leak	
101-I    Inspect porch ceiling fan	





# *Mutual Corporation No. Five*

---

## MEMO

---

**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO APPROVE THE OPEN SEATING AREA FOR UNIT 117-G (BUILDING INSPECTOR REPORT, ITEM A)  
**DATE:** OCTOBER 19, 2022  
**CC:** MUTUAL FILE

---

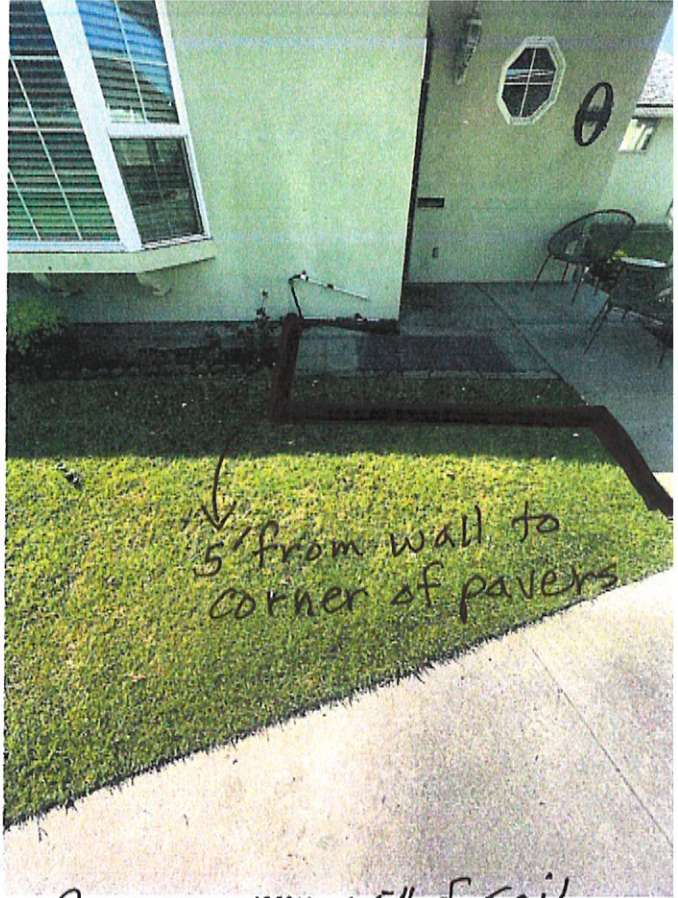
I move to approve the open seating area for Unit 117G. Work to be done at the shareholder's expense.

117-G



7' from corner of unit to corner of seating area

- Remove all concrete to footing
- Relocate drain pipe
- Paver sample attached
- Matching garden edge/mow strip



5' from wall to corner of pavers

- Remove approx. 5" of soil
- Re-route sprinklers



Concrete mow strip around seating area pavers



Approx. 41 sq. ft. of common property

New Matching Mow Strip



# *Mutual Corporation No. Five*

---

## MEMO

---

**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO APPROVE MP CONSTRUCTION PROPOSAL – ZINSCO ELECTRICAL PANEL REPLACEMENT (BUILDING INSPECTOR REPORT, ITEM B)  
**DATE:** OCTOBER 19, 2022  
**CC:** MUTUAL FILE

---

I move to approve MP Construction proposal for the replacement of Zinsco Electrical Panels in Mutual Five units, at a cost of \$1,550 per panel, funding to come from Infrastructure Reserves. Authorize the President to sign necessary transfers of funds in accordance with provisions of Civil Code Section 5502.



• NEW ADDITIONS • REMODELING • CONCRETE  
• MASONRY WORK • PLUMBING • WINDOWS

**MARTIN PEREZ**

**(562)746-5400**

**MP.CONSTRUCTION2@AOL.COM**

## **Address: Mutual , Building**

- remove existing electrical panel and install a new QO124L125PG electrical panel
- patch drywall and paint if it is needed

**For the total price of \$1,550 per panel.**

# Main Lugs Only

## Copper Bus Indoor Surface/Flush Mount

Contents:  
(1) QO™ Load  
(1) PK9GTA C  
(1) PK9GTA C  
Lug includ  
Purchased s  
QO Circuit B  
Cover or QO

**PLUG ON  
NEUTRAL**  
Neutro Enchufable



max.  
s

**QO124L125PG**

# *Mutual Corporation No. Five*

---

## MEMO

---

**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** APPROVAL OF MUTUAL MONTHLY FINANCES (NEW BUSINESS, ITEM A)  
**DATE:** OCTOBER 19, 2022  
**CC:** MUTUAL FILE

---

I move 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 September 2022.

# *Mutual Corporation No. Five*

---

## MEMO

---

**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO RATIFY RESOLUTION DATED ON 9/21/2022 – INTERACT TECHNOLOGIES, LLC. (NEW BUSINESS, ITEM B)  
**DATE:** OCTOBER 18, 2022  
**CC:** MUTUAL FILE

---

On September 21, 2022, the Mutual Five Board of Directors, “RESOLVED to approve the Master Bulk Service Agreement between Interact Technologies, LLC and Leisure World Seal Beach Mutual 5 and authorize the President to sign the agreement.”.

I move to ratify the resolution dated on September 21, 2022, “RESOLVED to approve the Master Bulk Service Agreement between Interact Technologies, LLC and Leisure World Seal Beach Mutual 5 and authorize the President to sign the agreement.”.



# *Mutual Corporation No. Five*

---

## MEMO

---

**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO AUTHORIZE THE CHIEF FINANCIAL OFFICER TO INVEST PAINTING RESERVES FUNDS (NEW BUSINESS, ITEM C)  
**DATE:** OCTOBER 19, 2022  
**CC:** MUTUAL FILE

---

I move to approve the purchase of brokered CDs through US Bancorp totaling \$300,000 of Reserve Funds, with terms ranging from twelve (12) to eighteen (18) months at the prevailing interest rates at the time of purchase and at the discretion of the financial advisor.

# *Mutual Corporation No. Five*

---

## MEMO

---

**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO AMEND RULE 05-7510-01 – ELIGIBILITY REQUIREMENTS (NEW BUSINESS, ITEM D)  
**DATE:** OCTOBER 19, 2022  
**CC:** MUTUAL FILE

---

I move to propose a rule change by amending Rule 05-7510-01 – Eligibility Requirements on a preliminary basis until the 28-day posting period is completed. A decision on the rule changes by the Board of Directors will be made at the next scheduled monthly meeting after consideration of all shareholder comments.

**SEAL BEACH MUTUAL NUMBER FIVE****RESIDENT REGULATIONS****AMEND****Eligibility Requirements**

- 1       1.       All persons seeking approval of the Board of Directors of Seal Beach Mutual No. Five  
2       to purchase a share of stock in the Mutual, and to reside in the Mutual, shall meet the  
3       following eligibility criteria:  
4
- 5           1.1.     Apply for and be accepted as a member of the Golden Rain Foundation, Seal  
6           Beach, California.  
7
- 8       2.       Meet the Mutual eligibility criteria as follows:  
9
- 10       2.1.     AGE  
11
- 12           2.1.1   Minimum of 55 years, as confirmed by a birth certificate, California  
13           Driver's license or passport.  
14
- 15       3.       FINANCIAL ABILITY  
16
- 17           3.1.1.   Verified net monthly income that is at least four (4) times or greater  
18           than the monthly carrying charge (Regular Assessment plus  
19           Property Tax and Fees) at the time of application and have a  
20           combination of liquid assets of at least \$25,000 **\$50,000** and  
21           sufficient other assets equal to the purchase price of the Unit.  
22           Verified monthly income/assets may be in the form of the past two  
23           years of the information below:  
24
- 25       4.       INCOME REQUIREMENTS  
26
- 27           4.1     Acceptable verification includes, among others:  
28           4.2     The most recent Federal Tax returns; including but not limited to:  
29               4.2.1   1099s for interest and dividends;  
30               4.2.2   1099-Rs for retirement income from qualified plans and annuities;  
31               4.2.3   SSA-1099 Social Security Benefit Statement;  
32               4.2.4   W-2 forms or paycheck stubs  
33               4.2.5   Brokerage statements and current interim statement.  
34               4.2.6   Six to twelve months of checking/savings account statements.  
35               4.2.7   Current income: bank, credit union or brokerage statements  
36               4.2.8   Letters from bankers  
37               4.2.9   Notices of annuities  
38               4.2.10   Pensions  
39               4.2.11   Trust Income

**SEAL BEACH MUTUAL NUMBER FIVE**

**RESIDENT REGULATIONS**

**AMEND**

**Eligibility Requirements**

- 40 4.2.12 Disability Income
- 41 4.2.13 Residential or commercial property rental income
- 42 4.2.14 Settlement Payments
- 43 4.2.15 An owned business must include appropriate business tax
- 44 schedules and a profit and loss statement

**5. UNACCEPTABLE INCOME verifications include, among others,**

- 45 **5.1** Letters from employers, accountants, bookkeepers and attorneys
- 46 **5.2** Income not reported on Federal Income Tax returns except as noted above in
- 47 4.1.
- 48 **5.3** Funds held outside U.S borders except as noted above in 4.1.

**6. ASSETS REQUIREMENT**

- 51 **6.1** Acceptable Assets will be those that are considered to be liquid, marketable or
- 52 income producing. Acceptable assets include, among others:
- 53 6.1.1 Equity in U.S. residential property (i.e. a home or mobile home being
- 54 sold to pay for the unit being purchased in Mutual 5)
- 55 6.1.2 Savings accounts in U.S. financial institutions
- 56 6.1.3 Cash Value in Life Insurance
- 57 6.1.4 Certificates of Deposit or Money Market Accounts in U.S. Financial
- 58 Institutions
- 59 **6.2** Excluded from consideration are the following assets, among others:
- 60 6.2.1 Recreational vehicles, boats and trailers
- 61 6.2.2 Vacant land
- 62 6.2.3 Automobiles
- 63 6.2.4 Artwork, jewelry, furs, and collections such as coins, dolls, stamps and
- 64 other similar items.
- 65 6.2.5 Term life insurance
- 66 6.2.6 Annuity funds, which cannot be withdrawn in lump sum.
- 67 6.2.7 Anticipated bequests or inheritances
- 68 6.2.8 Promissory Notes whose income is not reported on the prospective
- 69 transferee tax return.
- 70 6.2.9 Community property

**7. NET MONTHLY INCOME: The Net Monthly Income as used in Paragraph 3.1.1. is the sum of:**

**SEAL BEACH MUTUAL NUMBER FIVE**

**RESIDENT REGULATIONS**

**AMEND**

**Eligibility Requirements**

- 78
  - 79
  - 80
  - 81
  - 82
  - 83
  - 84
  - 85
  - 86
  - 87
  - 88
  - 89
  - 90
  - 91
  - 92
  - 93
  - 94
  - 95
  - 96
  - 97
  - 98
  - 99
  - 100
  - 101
  - 102
  - 103
  - 104
  - 105
  - 106
  - 107
- 7.1** Adjusted Gross Income from Federal Tax Forms 1040, 1040A, or 1040EZ; plus, that portion of Social Security, IRA distributions, and pensions and annuities not included in adjusted gross income; plus tax exempt interest; all divided by twelve (12) and,
- 7.2** The sum of all Acceptable Assets from Paragraph 6.1, above, less the assets equal to the purchase price of the unit, divided by the difference between the Actuarial Life Expectancy <sup>1</sup> minus the actual age of each applicant <sup>2</sup> divided by 12 (please see attached example).
- 8.** Projected assessments will be the previous year’s assessment (total of carrying charge less any cable charge, less Orange County Property Taxes and Fees), and the addition of the new property tax at 1.2%<sup>3</sup> of the sales price plus Orange County District fees divided by twelve (12) for the new projected monthly assessment. This new figure (Regular Assessment plus Orange County Property Taxes and District Fees) times four (4) will be the monthly income required. These calculations will be verified by the escrow company and the Stock Transfer Office. Between the two, Stock Transfer shall have the final say in establishing verifiable income/assets.
- Verification shall be done by the Escrow Company and the Stock Transfer Office prior to the new buyer interview and prior to the close of escrow (the above verification need not be done by the individual Mutual Directors; Directors are not required to study or understand the financial requirements).
- 9.** The resident shareholder’s income shall be considered for qualifying. Where there is more than one prospective shareholder, income and assets shall be calculated collectively. Co-owners shall be calculated for their proportional share of the HOA payment. Either one half in the case of two co-owners or one third in the case of three co-owners. Married couple income shall be considered one income.

<sup>1</sup> The Actuarial Life Expectancy is obtained from the Social Security Retirement & Survivors Benefit: Life Expectancy Calculator, website <https://www.ssa.gov/OACT/population/longevity.html>

<sup>2</sup> The difference between the Life Expectancy value from SSA Life Expectancy Calculator: 78.5 years and the buyer’s actual age: 70.3

<sup>3</sup> If major remodeling, expansion, or addition of a bathroom is being considered, the increase in taxes over the 1.2% of the purchase price must be taken into consideration.

**SEAL BEACH MUTUAL NUMBER FIVE****RESIDENT REGULATIONS****AMEND****Eligibility Requirements**

- 108     **10.**    If moving within Leisure World, or if there are any additions/changes to the Stock  
109            Certificate, the proposed shareholder(s) must meet these eligibility requirements.
- 110     **11.**    If moving within Mutual 5 from one unit to another, if the Shareholder has maintained  
111            payment of their carrying charges for at least one year, they are exempt from the  
112            requirement to show ~~\$25,000~~ **\$50,000** in assets.
- 113
- 114     **12.**    HEALTH
- 115
- 116            **12.1.**    Have reasonably good health for a person of his/her age, so that shareholder  
117            can take care of normal living needs without calling on other members for an  
118            undue amount of assistance. Leisure World is not an assisted living or skilled  
119            nursing home facility.
- 120            **12.2.**    Assume, in writing, the obligations of the "Occupancy Agreement" in use by  
121            the Mutual Corporation.  
122            Officers or Committees if the Board of Directors designated to approve new  
123            applicants are responsible that criteria of the corporation is equitably applied  
124            to all applicants. Approval or disapproval of buyer(s) must be received by the  
125            Stock Transfer Office at least ten (10) working days prior to the close of  
126            escrow.
- 127            **12.3.**    The Board may appoint a review committee to hear disputed applications. The  
128            decision of the Board will be final.
- 129
- 130     **13.**    SHAREHOLDER BUYER PREMIUM FEE
- 131
- 132            13.1    Prospective Mutual 5 shareholders will be assessed a non-refundable  
133            Shareholder Buyer Premium Fee of \$750.
- 134

**Document History****Adopted: 20 Oct 2021****Amended:****16 Feb 2022   19 Oct 2022****Keywords:** Mutual Five   Eligibility   Requirements

135

**SEAL BEACH MUTUAL NUMBER FIVE****RESIDENT REGULATIONS****AMEND****Eligibility Requirements**

136 *EXAMPLE:*  
 137 A buyer, single female, born July 1, 1948 has a portfolio of \$500,000 and a fully-paid-for house  
 138 she is selling for \$600,000 and she is buying a unit in M-5 for \$350,000. She has a Social  
 139 Security Income of \$1,500 per month. Does she qualify in M-5?  
 140

141 *Financial Ability Section 3.1.1.: Verified Net Monthly Income states that is at least four (4) times*  
 142 *or greater than the monthly carrying charge (Regular Assessment plus Property Tax and Fees)*  
 143 *at the time of application; and, have a combination of liquid assets of at least ~~\$25,000~~ \$50,000*  
 144 *and sufficient other assets equal to the purchase price of the Unit.*  
 145

146 M-5 Regular Assessment for 2018 is \$360.96 which includes M-5 monthly carrying charge,  
 147 GRF monthly carrying charge and OC User Fee.  
 148

149 Projected Property Taxes according to Section 8, is the amount \$350,000 times 1.2% and is  
 150 equal to \$4,200 per year or \$350 per month.

151 Therefore: The Regular Assessment plus Property Tax and Fees is \$360.96 plus \$350 or  
 152 \$710.96; and, 4 times that amount is \$2,843.84 which is the BENCHMARK required in Section  
 153 3.1.1. Applicant's Net Monthly Income must be higher than that amount.  
 154

155 Section 7 defines NET MONTHLY INCOME. For this example it includes:  
 156

157 Social Security Income of: \$1,500 per month  
 158

159 Assets: \$500,000 Portfolio  
 160 Plus \$600,000 Value of home  
 161 Less \$350,000 Price of M-5 Unit  
 162 = \$750,000 Remaining Assets

163 Divided by: 17.2 years (87.5 minus 70.3) <sup>2</sup>  
 164 = \$43,605 per year divided by 12: \$3,634 per month.

165 Total Net Monthly Income: \$5,134 per month  
 166

167 NET MONTHLY INCOME IS GREATER THAN BENCHMARK, THEREFORE APPLICANT IS  
 168 QUALIFIED.  
 169  
 170  
 171

---

<sup>2</sup> The difference between the Life Expectancy value from SSA Life Expectancy Calculator: 87.5 years and the buyer's actual age: 70.3

**SEAL BEACH MUTUAL NUMBER FIVE**

**RESIDENT REGULATIONS**

**AMEND**

**Eligibility Requirements**

172  
173  
174  
175  
176  
177  
178  
179  
180  
181  
182  
183  
184  
185  
186  
187  
188  
189  
190  
191  
192  
193

**I have read and understood what is required for eligibility consideration in the above named Mutual, including necessary documentation.**

\_\_\_\_\_  
**Prospective Buyer**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Prospective Buyer**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Prospective Buyer**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Prospective Buyer**

\_\_\_\_\_  
**Date**



# *Mutual Corporation No. Five*

---

## MEMO

---

**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO RESCIND POLICY 7701.05 – PERSONAL PROPERTY LIABILITY (NEW BUSINESS, ITEM E)  
**DATE:** OCTOBER 19, 2022  
**CC:** MUTUAL FILE

---

I move to propose a policy change by rescinding Policy 7701.05 – Personal Property Liability on a preliminary basis until the 28-day posting period is completed. A decision on the policy change by the Board of Directors will be made at the next scheduled monthly meeting after consideration of all shareholder comments.

PHYSICAL PROPERTY

**RESCIND**

Personal Property/Liability Insurance – Mutual Five

~~The term unit or apartment shall refer to the living space granted to the shareholder by the occupancy agreement.~~

~~Mutual Five shareholders, whether residing in their unit or not, shall carry HO6 insurance to cover the personal contents of their unit, to cover any damage to their unit for which they are responsible, and to cover any damage, for which they are responsible, to adjacent units. Shareholders are required to display their insurance policy declaration page on their kitchen counter during fire/safety inspections.~~

~~Shareholders shall carry personal liability insurance in an amount sufficient for the indemnification of other persons in the event that the shareholders become legally liable for causing bodily injury and/or property damage to another person.~~

~~If shareholder owns a pet, at least \$300,000 in personal liability coverage is recommended. If shareholder does not own a pet, it is recommended that the personal liability coverage be at least \$200,000.~~

~~If a shareholder has a non-owner occupant, caregiver, washer and/or dryer, golf cart, Jacuzzi type tub, walk in tub, extended patio and/or unit, shareholder owned water heater, heat pump, air conditioning or heating equipment, liability insurance must cover all non-standard items, including the increased liability these items create.~~

~~The Golden Rain Foundation and the Mutual are not responsible for personal property within or attached to the unit or stored or parked on the street or in the carport including property stored in or under the storage cabinets in the carport.~~

~~Shareholder should consider obtaining sufficient coverage to insure the value of any artwork, jewelry, antiques or other items that would not normally be covered by an average policy for personal property.~~

~~The Mutual's Master Insurance Policy covers the Mutual's buildings and common areas including properly permitted expansions, but for standard building materials only. It does not cover non-standard items such as upgraded doors, bay windows,~~

~~multi-pane windows, flooring, window treatments, special countertops, heat pumps/air conditioning, dishwashers, washer/dryers, microwaves, and other special appliances. Earthquake damage is not covered by the Mutual's policy.~~

**PHYSICAL PROPERTY**

**RESCIND**

**Personal Property/Liability Insurance – Mutual Five**

~~The HO6 condominium policy is generally recommended. The Mutual does not cover housing if shareholders are displaced from their unit. Shareholders should ensure that their policy provides for displacement living expenses.~~

~~Shareholders must be aware that the mutual master policy has a \$50,000 deductible for which the shareholder is liable. Additional insurance coverage to cover this deductible is highly recommended.~~

~~Shareholders must consult with a professional insurance agent that is knowledgeable about stock co-operatives to ensure that they are sufficiently covered in case of a loss.~~

**MUTUAL  
FIVE:**

**RATIFIED  
01-15-2020**

**ADOPTION  
12-18-19**

# *Mutual Corporation No. Five*

---

## MEMO

---

**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO ADOPT RULE 05-7701-01 - PERSONAL PROPERTY LIABILITY (NEW BUSINESS, ITEM F)  
**DATE:** OCTOBER 19, 2022  
**CC:** MUTUAL FILE

---

I move to propose a rule change by adopting Rule 05-7701-01 - Personal Property Liability prepared by mutual attorney and on a preliminary basis until the 28-day posting period is completed. A decision on the policy change by the Board of Directors will be made at the next scheduled monthly meeting after consideration of all shareholder comments.

**SEAL BEACH MUTUAL NUMBER FIVE****ADOPT****Physical Property – Personal Property Liability**

The term unit or apartment shall refer to the living space granted to the shareholder by the occupancy agreement.

1. Mutual Five shareholders, whether residing in their unit or not, shall carry HO6 insurance to cover the personal contents of their unit, to cover any damage to their unit for which they are responsible, and to cover any damage, for which they are responsible, to adjacent units. Shareholders are required to display their insurance policy declaration page on their kitchen counter during fire/safety inspections.

a. Shareholders shall carry no less than \$200,000 in personal liability insurance for the indemnification of other persons in the event that the shareholders become legally liable for causing bodily injury and/or property damage to another person.

b. If shareholder owns a pet, at least \$500,000 in personal liability coverage is recommended.

c. Shareholders shall carry \$500,000 in personal liability coverage if they install any non-standard water-related items including, but not limited to: custom bathtubs, outdoor hot tubs, jacuzzi tubs, therapeutic walk-in bathtubs, icemakers, dishwashers, washing machines, bidets, water purification systems, or any other water-related addition.

d. If a shareholder has a non-owner occupant, caregiver, golf cart, extended patio and/or unit, shareholder owned water heater, heat pump, air conditioning or heating equipment, liability insurance must cover all nonstandard items, including the increased liability these items create.

2. The Golden Rain Foundation and the Mutual are not responsible for personal property within or attached to the unit or stored or parked on the street or in the carport including property stored in or under the storage cabinets in the carport.

3. Shareholder should consider obtaining sufficient coverage to insure the value of any artwork, jewelry, antiques or other items that would not normally be covered by an average policy for personal property.

4. The Mutual's Master Insurance Policy covers the Mutual's buildings and common areas including properly permitted expansions, but for standard building materials only. It does not cover non-standard items such as upgraded doors, bay windows, multi-pane windows, flooring, window treatments, special countertops, heat pumps/air conditioning, dishwashers, washer/dryers, microwaves, and other special appliances. Earthquake damage is not covered by the Mutual's policy.

(OCT 2022)

**SEAL BEACH MUTUAL NUMBER FIVE****ADOPT****Physical Property – Personal Property Liability**

**5. The HO6 condominium policy is generally recommended. The Mutual does not cover housing if shareholders are displaced from their unit. Shareholders should ensure that their policy provides for displacement living expenses.**

**6. Shareholders must be aware that the mutual master policy has a \$50,000 deductible for which the shareholder is liable. Additional insurance coverage to cover this deductible is highly recommended.**

**7. Shareholders must consult with a professional insurance agent that is knowledgeable about stock co-operatives to ensure that they are sufficiently covered in case of a loss.**

**Document History**

**Adopted: 19 Oct 2022**

**Keywords: Personal  
Property  
Liability**

**(OCT 2022)**

# *Mutual Corporation No. Five*

---

## MEMO

---

**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO RESCIND POLICY 7585.05 - PROTOCOL FOR ENFORCING GOVERNING DOCUMENTS (NEW BUSINESS, ITEM G)  
**DATE:** OCTOBER 19, 2022  
**CC:** MUTUAL FILE

---

I move to propose a policy change by rescinding Policy 7585.05 - Protocol for Enforcing Governing Documents on a preliminary basis until the 28-day posting period is completed. A decision on the policy change by the Board of Directors will be made at the next scheduled monthly meeting after consideration of all shareholder comments.

# RESCIND

MUTUAL OPERATIONS

7585.05

PROTOCOL FOR ENFORCING GOVERNING DOCUMENTS

## TABLE OF CONTENTS

ENFORCEMENT PROCEDURE.....	2
ALLEGED VIOLATION REPORT.....	4
NOTICE OF INTENT TO IMPOSE DISCIPLINE.....	5
PROCEDURE FOR SHAREHOLDER HEARING.....	6
FINE SCHEDULE.....	7

Any activity, situation 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 INFORMATION:  
\_\_\_\_\_ (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*

---

## MEMO

---

**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO ADOPT RULE 05-7585-01- PROTOCOL FOR ENFORCING GOVERNING DOCUMENTS (NEW BUSINESS, ITEM H)  
**DATE:** OCTOBER 19, 2022  
**CC:** MUTUAL FILE

---

I move to propose a rule change by adopting Rule 05-7585-01- Protocol for Enforcing Governing Documents prepared by mutual attorney and on a preliminary basis until the 28-day posting period is completed. 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.

TABLE OF CONTENTS

Table of Contents..... i

Article 1: Enforcement and Fine Policies..... 1

1.1 Enforcement Procedure..... 1

    a. Report Violation..... 1

    b. Determination of Merit ..... 1

    c. Give Notice of Alleged Violation ..... 1

    d. Conduct Hearing in Executive Session ..... 1

1.2 Disciplinary Hearing Procedure..... 2

    a. Statement of Violations..... 2

    b. Presentation of Evidence..... 2

    c. Failure to Exercise Rights..... 2

    d. Additional Hearing Rules..... 2

    e. Preparation for Deliberation..... 2

    f. Deliberation..... 2

    g. Take Matter Under Submission..... 3

    h. Take Action..... 3

    i. Give Notice of Decision..... 3

1.3 Monetary Penalty (Fine) Schedule and Policies..... 4

1.4 Remedies ..... 5

1.5 Reimbursement Assessment..... 5

1.6 Liens on Fines; Prohibition Against Non-Judicial Foreclosure ..... 5

ENFORCEMENT AND FINE POLICIES  
 SEAL BEACH MUTUAL NO. 5  
 a California nonprofit corporation

These policies are Operating Rules as defined in the Davis-Stirling Common Interest Development Act and, to the extent they conflict with any previous Operating Rules, supersede and prevail over such previous rules. All Operating Rules, whether characterized as rules, policies, procedures and otherwise are subject to the provisions of the Bylaws currently in effect for this Association and are of equal hierarchy to the Occupancy Agreement.

ARTICLE 1: ENFORCEMENT AND FINE POLICIES

1.1 Enforcement Procedure.

a. Report Violation: Any Resident, Member, Director, manager or rules enforcement personnel claiming a violation occurred must complete, sign, and submit an Alleged Violation Report (Exhibit A to these Rules) to the



Board of Directors at a Board meeting, or to the Association's manager during regular business hours. No anonymous Alleged Violation Reports will be considered unless the information can be independently verified.

b. Determination of Merit: The Board must determine, in an executive session meeting, if there is alleged violation has merit and, if so, give notice as provided in the next paragraph. If the Board does not find merit it must indicate why action was not taken in the executive session minutes.

c. Give Notice of Alleged Violation: Following a determination of merit as specified above, the Association will send a Notice of Intent to Impose Discipline to the Member (Exhibit B to these Rules) stating the nature of the alleged violation(s), the provision(s) of the governing documents violated 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 any means authorized under Civil Code §4040 for individual delivery, before imposing a monetary penalty (fine) and/or any other discipline. No courtesy notice or warning is required.

d. Conduct Hearing in Executive Session: All disciplinary hearings with the Board of Directors will be held in executive session. The Member responsible for the alleged violation may be heard, orally or in writing, and may present evidence, including witness testimony and documents.

## 1.2 Disciplinary Hearing Procedure.

a. Statement of Violations. The acting chairperson of the meeting will make a statement of the alleged violation(s).

b. Presentation of Evidence.

- i. Each party (including the Board where appropriate) may make an opening statement, orally or in writing, starting with the complaining party's case.
- ii. In turn, beginning with the complaining party, each party may produce documentary evidence and testimony. Each party may then question the opposing party and the opposing party's witnesses. Witnesses providing testimony (orally or in writing) must appear and be subject to questioning. Each witness (but not the alleged violator or complaining party) must testify outside the presence of other witnesses.
- iii. Each party may make a final statement, orally or in writing, after hearing all evidence.
- iv. Formal rules of evidence will not apply, and, subject to any other requirements in these rules, all evidence properly submitted should be considered. The Board will give whatever weight it feels is appropriate to each piece of evidence.

c. Failure to Exercise Rights. Any party may choose not to exercise any rights during the hearing process (e.g. not give an opening statement). Even if a complaining party chooses not to attend the hearing and/or be subjected to questioning, the Board may not automatically find the alleged violator to be in violation. The complaining party, including the Board, must still present or possess sufficient proof of the violation. A non-attending alleged violator may present other evidence or witnesses to support their case.

d. Additional Hearing Rules. The Board may specify other reasonable rules for the hearing, provided the alleged violator can (1) confront and question the complaining party and any witnesses (if their personal knowledge is

necessary to prove the claim), (2) review any other corroborating evidence of the violation, and (3) testify and present evidence in their own defense.

e. Preparation for Deliberation. After receiving all evidence, the alleged violator, complaining party and witnesses are excused. If the complaining party is a director, with no personal stake in the dispute, such director may remain.

f. Deliberation. The Board will discuss, deliberate and decide what action to take, if any, or if the matter should be taken under submission.

g. Take Matter Under Submission. After considering the evidence presented at the hearing and during deliberation, the Board may take the matter under submission to allow (1) the presentation and consideration of additional documentary or other evidence, (2) further investigation to be conducted, and/or (3) additional time for deliberation by the Board. If taken under submission, the Board must schedule another executive session meeting within 35 days after the original hearing at which the Board will resume deliberation.

h. Take Action: If the Member is found to have violated the governing documents, the Board may take any appropriate action allowed under the governing documents or the law, such as:

- i. Sending a “cease and desist” letter;
- ii. Imposing one or more monetary penalties (fines);
- iii. Allowing the Member a reasonable period of time to correct any ongoing violations, such as architectural or nuisance violations, and, in the Board’s discretion, imposing daily fines which may automatically begin, without further notice or hearing, if the Member does not (1) comply within the time allowed or (2) request and be granted additional time to comply;
- iv. Correcting (or causing to be corrected) the violation. Then, after a further notice and hearing, imposing a reimbursement assessment upon the Member for the costs and expenses of doing so, including attorneys’ fees, when allowed by law;
- v. Suspending membership privileges, such as recreational common area use rights (but not member voting rights), effective no sooner than five (5) days after the notice of disciplinary action required by Civil Code §5855 (c) or any successor statute;
- vi. Initiating Internal Dispute Resolution and/or Alternative Dispute Resolution in the manner provided by the Association’s governing documents and the law;
- vii. Seeking any legal remedy, including, without limitation, seeking a restraining order and/or injunctive relief, or imposing a lien and/or foreclosing on the Member’s property, where allowed by law;
- viii. Taking no disciplinary action when circumstances warrant. The justification for taking no action in response to a violation must be noted in the executive minutes and the Member’s disciplinary file, if any.

i. Give Notice of Decision: The Member, but not the complaining party, must be notified of any disciplinary action taken by the Board of Directors within 15 days following the action. If no disciplinary action is taken, no

notice to any party is required, but such notice may be given to any party if circumstances warrant and doing so does not violate the privacy of the alleged violator.

1.3 Monetary Penalty (Fine) Schedule and Policies. If the Board finds a violation of the governing documents, a monetary penalty (fine) of up to \$200 may be imposed for each separate violation of that provision, subject to the following additional provisions:

a. For violations which are not continuous:

- i. If a Member violates the same provision of the governing documents on two separate occasions within any 12-month period, the Member will be subject to a monetary penalty (fine) of up to \$400 for the second violation.
- ii. If the Member violates the same provision three or more times within any 12-month period, the Member will be subject to monetary penalties (fines) for the third and subsequent violations of up to \$600 each.

b. For continuous violations, such as architectural, ongoing nuisance, rental violations, or otherwise:

- i. Continuous violations will be considered a violation every day from the first day of the violation until remedied in full for at least 30 days.
- ii. Continuous violations are subject to a monetary penalty (fine) of up to \$100 per day for every day of the violation, whether consecutive or not, until the violation is remedied, subject to a maximum monetary penalty (fine) of \$3,000 per calendar month.
- iii. Continuous Violation Example 1: A homeowner engages in short-term rentals in violation of the governing documents and the Association imposes a continuous fine of \$100 per day after notice and a hearing. The homeowner continues the violation the following week by renting over four-day periods once per week for four consecutive weeks in a single calendar month. The short-term rental violation occurred on 16 nonconsecutive days in a single calendar month and the Association may properly impose, without further notice or hearing, monetary penalties of \$1,600 upon confirmation of the violations.
- iv. Continuous Violation Example 2: A homeowner smokes on his/her patio in violation of the governing documents and the Association imposes a continuous fine of \$100 per day. The homeowner stops smoking for a week, but the resumes five days per week for three weeks for a calendar month. Then the homeowner goes on vacation for 30 days before returning and resuming smoking. The smoking violation occurred on 15 non- Policies consecutive days for which the Association may impose, without further notice or hearing, monetary penalties of \$1,500 upon confirmation of the violations. However, after the 30-day lapse in violations, the matter is deemed fully remedied and a new notice and hearing must be given for any subsequent violations.

c. Multiple violations, whether non-continuous or continuous, may be addressed in one or more Notice(s) of Intent to Impose Discipline to the owner and may be the subject of and heard at one or more executive session hearing(s).

d. All monetary penalties (fines) and reimbursement assessments are due upon notice given and are delinquent 15 days after they become due.

1.4 Remedies. Unless prohibited by other governing documents, and when permitted by law, the Association may take legal action or correct, remedy or cure a violation, and seek a reimbursement assessment against the Member, or file a memorandum of costs or motion for attorneys' fees, to recover costs, expenses and attorneys' fees incurred by the Association.

1.5 Reimbursement Assessment. If a violation is found which causes the Association to incur a financial obligation or expense, then the Member responsible for the violation will be subject to a reimbursement assessment in the amount of the obligation or expense incurred by the Association after proper notice and a hearing to the extent allowed by law.

1.6 Liens on Fines; Prohibition Against Non-Judicial Foreclosure. A monetary penalty (fine) imposed by the Association as a disciplinary measure for failure of a Member to comply with the governing documents, may be treated as and is hereby an assessment that may become a lien against the Member's separate interest, but such lien may not be enforced by the sale of the interest under Sections 2924, 2924b, and 2924c (non-judicial foreclosure).

ALLEGED VIOLATION REPORT

Date of Report: \_\_\_\_\_

Person Making Report

Name: \_\_\_\_\_ (Complainant Address: \_\_\_\_\_ Phone No: \_\_\_\_\_

2. Time, place and nature of alleged violation (to the extent known) Date: \_\_\_\_\_ Time: \_\_\_\_\_ Location: \_\_\_\_\_ Nature of Violation: \_\_\_\_\_

3. Description of Alleged Violator (if known) Name: \_\_\_\_\_ Phone: \_\_\_\_\_ Address: \_\_\_\_\_

4. Additional Witnesses (continue on back as needed) Name: \_\_\_\_\_ Address/Phone: \_\_\_\_\_ Name: \_\_\_\_\_ Address/Phone: \_\_\_\_\_

5. Other Evidence (Photographs, Documents, Etc.) Supporting the Violation (continue on back as needed)

6. Specific Governing Document Violated (Cite exact provision(s) of Occupancy Agreement, Bylaws, Rules or Regulations violated) \_\_\_\_\_ 7. Original Complainant

The person making this complaint acknowledges that he or she must appear as a witness at any formal hearing or the Board may refuse to consider the alleged violation, unless the violation can be independently corroborated. \_\_\_\_\_ (Signature) Exhibit A to

Enforcement and Fine Policies Adopted on \_\_\_\_\_. Page 7 Enforcement and Fine Policies NOTICE OF INTENTION TO IMPOSE DISCIPLINE To Member:

\_\_\_\_\_ Please be advised that you are given notice that the Board of Directors will hold a hearing on: \_\_\_\_\_ (Date) \_\_\_\_\_ (Time) \_\_\_\_\_ (Place)

\_\_\_\_\_ to consider the imposition of a monetary penalty (fine), suspension of membership privileges, such as the right to use recreational common area, but not member voting rights, or other permissible discipline or action against you concerning an alleged violation of the Association's governing documents, that is:

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

\_\_\_\_\_ You may attend the hearing and be heard orally or in writing before the Board of Directors and to present any witnesses or other evidence on your behalf. For any written statement to be considered, the author must be present to testify and be questioned about the statement. The hearing will be held in executive session whether you are present or not and whether you contest the alleged violation or not. Please acknowledge your receipt of this notice and indicate, by checking the box indicating whether you will contest the alleged violation or not. Very truly yours, BOARD OF DIRECTORS I acknowledge receipt of this notice and:  I do not oppose the alleged violation.  I oppose the alleged violation. Exhibit B to Enforcement and Fine Policies

# *Mutual Corporation No. Five*

---

## MEMO

---

**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO ADOPT FORM 05-7415-4B - ENCROACHMENT INTO COMMON AREAS FOR EXCLUSIVE USE (NEW BUSINESS, ITEM I)  
**DATE:** OCTOBER 19, 2022  
**CC:** MUTUAL FILE

---

I move to propose a form change by adopting Form 05-7415-4B - Encroachment into Common Areas for Exclusive Use prepared by mutual attorney and on a preliminary basis until the 28-day posting period is completed. A decision on the form change by the Board of Directors will be made at the next scheduled monthly meeting after consideration of all shareholder comments.

**SEAL BEACH MUTUAL NO. FIVE**

**Mutual Five New / Remodeled / Established / Patio / Permit Required**

**Addendum to Occupancy Agreement**

**Seal Beach Mutual Five**

**Encroachment onto Common Areas for EXCLUSIVE Private Use**

**Application for a NEW / REMODELED / Patio Encroachment**

The Shareholder(s) of that certain apartment unit, \_\_\_\_\_, Seal Beach, California, 90740, entered into an Occupancy Agreement on \_\_\_\_\_ by and between Seal Beach Mutual No. Five ("**Corporation**") and \_\_\_\_\_ hereinafter referred to as ("**Member/s**").

In accordance to Policy **05-7415-1** this document represents a required "License and Indemnity Agreement", "Addendum to Occupancy Agreement" setting forth the permission extended by the Mutual Corporation to the requesting Mutual Five Member's acceptance of a patio encroachment into common area, and all of the terms and conditions as set forth below.

**Terms of Agreement:**

\_\_\_\_\_, (Member/s) are allowed to complete a patio of apartment \_\_\_\_\_ using \_\_\_\_\_ square feet of common area on the \_\_\_\_\_ side of the unit for a patio to extend the \_\_\_\_\_ side of the unit.

\_\_\_\_\_, agree/s that they will execute the "License and Indemnity Agreement", "Addendum to Occupancy Agreement" acknowledging that the Corporation may reasonably condition its consent on terms that both protect the Corporation's rights over/to Landscape area and prevent the Corporation from being burdened with additional or increased maintenance, repair or other costs/expenses or increased potential liabilities and/or risks and in accordance with all terms and conditions as set forth in the Mutual Five Policy.

**Members** further agree that they will accept the full liability for upkeep and maintenance, as well as insurance covering the area of the permitted encroachment and further, that the encroachment must be removed at the expense of the shareholder who is selling or otherwise conveying the share unless the subsequent shareholder agrees to execute a new Addendum to Occupancy Agreement assuming all the terms as set forth in the Mutual Five Rule number 05-7415-1.

**Execution Addendum to Occupancy Agreement**

I, (We) \_\_\_\_\_ (**Member/s**) hereby agree to the terms and conditions of the attached Mutual Five Patio Policy and the Addendum to Occupancy Agreement, in its entirety, as evidenced by our signature/s below:

I, (We) \_\_\_\_\_ (**Member/s**) agree and

(Oct 2022)

**SEAL BEACH MUTUAL NO. FIVE**

**Mutual Five New / Remodeled / Established / Patio / Permit Required**

46 acknowledge that nothing contained herein or omitted here from shall be deemed to be an  
47 admission, limitation, or waiver of any of the Mutual rights, remedies and defenses, either at law  
48 or in equity, all of which rights, remedies and defenses are hereby expressly reserved.  
49

50 This Addendum to Occupancy Agreement is entered on the \_\_\_\_\_ of  
51 \_\_\_\_\_, 20 \_\_\_\_\_, by and between Seal Beach Mutual No. Five and Members:  
52

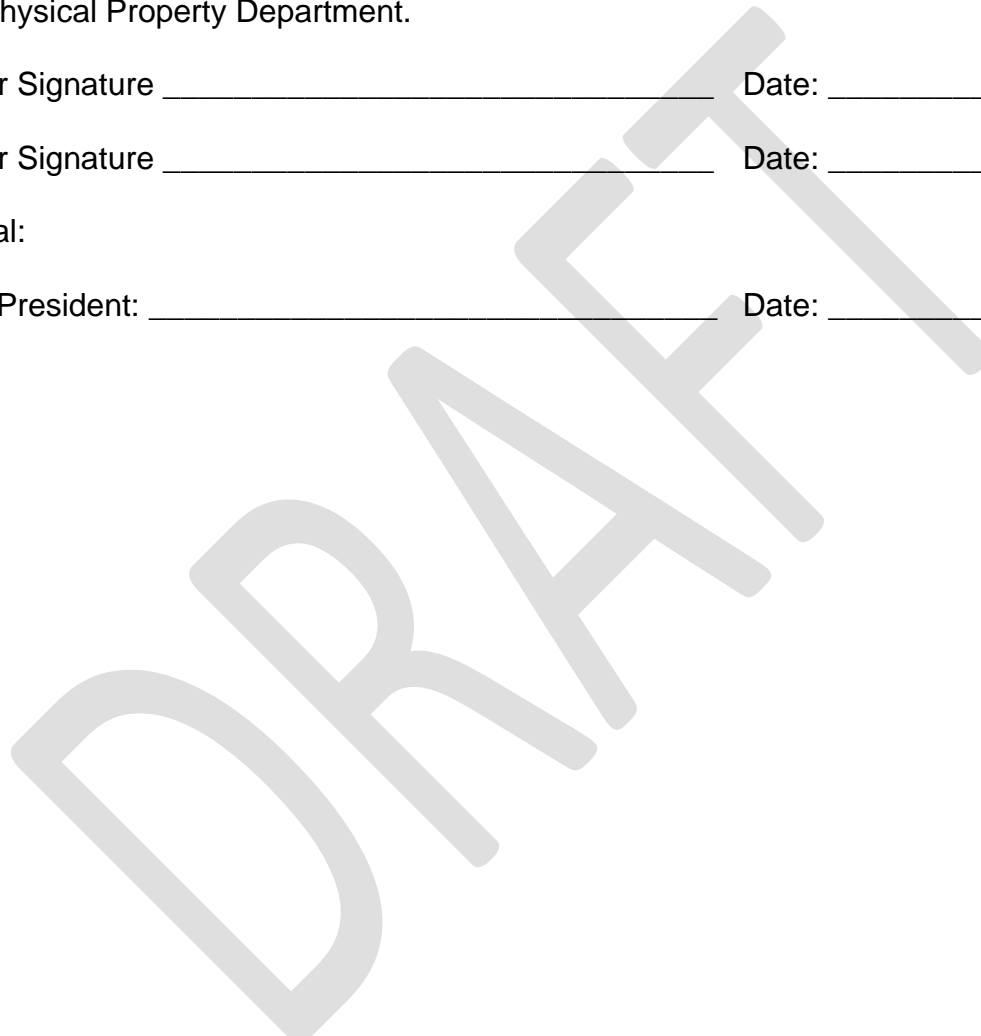
53 Important! All remodeling and any encroachment onto common area requires a Permit be on file  
54 in the Physical Property Department.  
55

56 Member Signature \_\_\_\_\_ Date: \_\_\_\_\_  
57

58 Member Signature \_\_\_\_\_ Date: \_\_\_\_\_  
59

60 Approval:

61 Mutual President: \_\_\_\_\_ Date: \_\_\_\_\_  
62  
63  
64  
65  
66  
67  
68  
69  
70  
71  
72  
73  
74  
75  
76  
77  
78  
79  
80  
81  
82  
83  
84  
85  
86  
87  
88  
89  
90





**SEAL BEACH MUTUAL NO. FIVE**

**Mutual Five New / Remodeled / Established / Patio / Permit Required**

**Mutual Five Disclosure Agreement for Established Patio Encroachment**

**Addendum to Occupancy Agreement**

**Seal Beach Mutual Five**

**Encroachment onto Common Areas for EXCLUSIVE Private Use**

**Application for an ESTABLISHED PATIO / Encroachment**

The Shareholder(s) of that certain apartment unit, \_\_\_\_\_, Seal Beach, California, 90740, entered into an Occupancy Agreement on \_\_\_\_\_ by and between Seal Beach Mutual No. Five ("**Corporation**") and \_\_\_\_\_ hereinafter referred to as ("**Member/s**").

In accordance to Policy **05-7415-1** this document represents a required "License and Indemnity Agreement", "Addendum to Occupancy Agreement" setting forth the permission extended by the Mutual Corporation to the requesting Mutual Five Member's acceptance of an already established remodel to their unit which includes a patio encroachment into common area, and all of the terms and conditions as set forth below.

**Terms of Agreement:**

\_\_\_\_\_, (Member/s) accept full liability for apartment \_\_\_\_\_ patio, which includes a \_\_\_\_\_ square foot patio on the \_\_\_\_\_ side of the unit.

Members agree that they will accept the full liability for upkeep and maintenance, as well as insurance covering the area of the permitted encroachment and further, that the encroachment must be removed at the expense of the shareholder who is selling or otherwise conveying the share unless the subsequent shareholder agrees to execute a new "Addendum to Occupancy Agreement" assuming all the terms as set forth in the Mutual Five Patio Rule number 05-7415-1.

**Execution Addendum to Occupancy Agreement**

I, (We) \_\_\_\_\_ (**Member/s**) hereby agree to the terms and conditions of the attached Mutual Five Patio Policy and the Addendum to Occupancy Agreement, in its entirety, as evidenced by our signature/s below:

I, (We) \_\_\_\_\_ (**Member/s**) agree and acknowledge that nothing contained herein or omitted here from shall be deemed to be an admission, limitation, or waiver of any of the Mutual rights, remedies and defenses, either at law or in equity, all of which rights, remedies and defenses are hereby expressly reserved.

(Oct 2022)

**SEAL BEACH MUTUAL NO. FIVE**

**Mutual Five New / Remodeled / Established / Patio / Permit Required**

136 This Addendum to Occupancy Agreement is entered on the \_\_\_\_\_ of  
137 \_\_\_\_\_, 20 \_\_\_\_\_, by and between Seal Beach Mutual No. Five and Members:

138  
139 Member Signature \_\_\_\_\_ Date: \_\_\_\_\_  
140

141 Member Signature \_\_\_\_\_ Date: \_\_\_\_\_  
142

143 Approval:  
144  
145 Mutual President: \_\_\_\_\_ Date: \_\_\_\_\_  
146

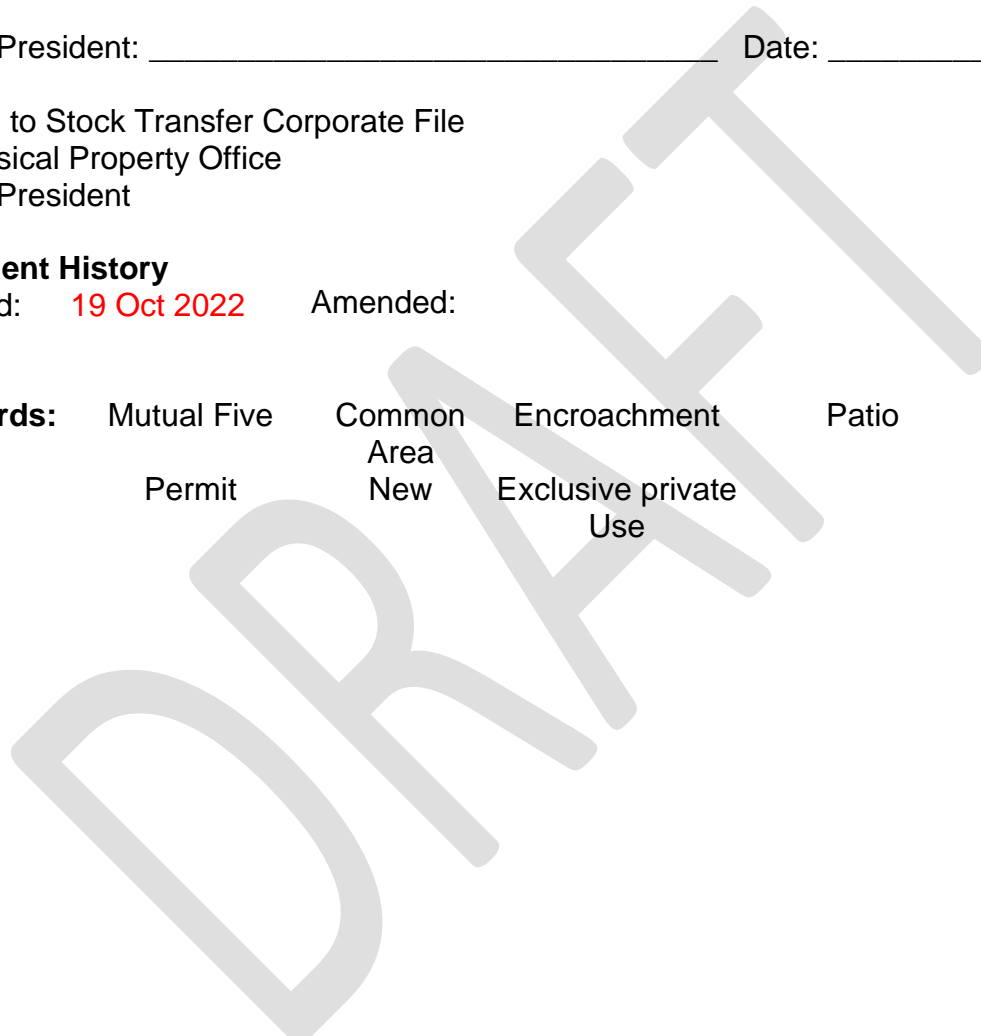
147 Original to Stock Transfer Corporate File  
148 cc: Physical Property Office  
149 Mutual President  
150

**Document History**

Adopted: **19 Oct 2022** Amended:

**Keywords:** Mutual Five Common Area Encroachment Patio Remodeled  
Permit New Exclusive private Use

151



# *Mutual Corporation No. Five*

---

## MEMO

---

**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO CHANGE NUMBERING ON FORM 05-7415-4 TO FORM 05-7415-4A - ENCROACHMENT INTO COMMON AREAS FOR NON-EXCLUSIVE USE (NEW BUSINESS, ITEM J)  
**DATE:** OCTOBER 19, 2022  
**CC:** MUTUAL FILE

---

I move to approve the change to Form 05-7415-4 - Encroachment into Common Areas for Non-Exclusive Use by changing the number on the form to 05-7415-4A - Encroachment into Common Areas for Non-Exclusive Use.

# *Mutual Corporation No. Five*

---

## MEMO

---

**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO CANCEL DECEMBER'S MONTHLY BOARD MEETING (NEW BUSINESS, ITEM K)  
**DATE:** OCTOBER 19, 2022  
**CC:** MUTUAL FILE

---

I move to cancel Mutual Five December's Monthly Board Meeting on Wednesday, December 21, 2022.