

PLEASE DO NOT DROP INTO THE MAIL SLOTS

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

November 16, 2022

The Regular Monthly Meeting of the Board of Directors of Seal Beach Mutual Five was called to order by President DeRungs on Wednesday, November 16, 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, Director Gould, Director Powell, and Director Shannon (all directors via zoom).

Absent: Secretary Gardner

GRF Representative: Mr. Thompson (via zoom)

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

Staff: Mr. Meza, Building Inspector
Ms. Barua, Portfolio Specialist (via zoom)
Ms. Vasquez, Acting Portfolio Specialist
Ms. Equite Assistant Portfolio Specialist

SHAREHOLDER COMMENTS

One shareholder made a comment.

MINUTES

The Regular Meeting Minutes of October 19, 2022 were approved by general consent of the board to stand as presented.

GRF REPRESENTATIVE'S REPORT

GRF Representative Thompson provided GRF updates.

Following questions, Mr. Thompson left the meeting at 9:10 a.m.

BUILDING INSPECTOR'S REPORT

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

RESOLVED to approve the patio proposal for Unit 05-070F. Work to be done at the shareholder's expense.

The MOTION passed unanimously with ROLL CALL vote.

Building Inspector Meza presented his report (attached).

Following questions, Mr. Meza left the meeting at 9:38 a.m.

UNFINISHED BUSINESS

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

RESOLVED to ratify the proposed rule change by amending Rule 05-7510-1 – Eligibility Requirements; the 28-day posting requirement has been met.

The MOTION passed unanimously with ROLL CALL vote.

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

RESOLVED to propose a rule change by adopting Rule 05-7701-1 - Personal Property Liability prepared by mutual attorney 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.

The MOTION passed unanimously with ROLL CALL vote.

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

RESOLVED 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.

The MOTION passed unanimously with ROLL CALL vote.

NEW BUSINESS

Following a discussion and upon a MOTION duly made by Director Shannon 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 October 2022.

The MOTION passed unanimously with ROLL CALL vote.

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

RESOLVED to propose a rule change by adopting Rule 05-7496-1 Electrical Vehicle Charging Station and EV-Dedicated Time of Use Meter Installation prepared by Mutual Attorney 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.

The MOTION passed unanimously with ROLL CALL vote.

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

RESOLVED to propose a rule change by adopting Rule 05-7414-1 – Solar Panel Installation prepared by Mutual Attorney 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.

The MOTION passed unanimously with ROLL CALL vote.

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

RESOLVED to propose a policy change by rescinding Policy 7414.05 – Solar Panel Installation 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.

The MOTION passed unanimously with ROLL CALL vote.

SECRETARY / CORRESPONDENCE

One 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

Acting Portfolio Specialist Vasquez presented her report (attached).

ANNOUNCEMENTS

- a. **December Monthly Board Meeting cancelled due to the holidays.**
- b. **NEXT MEETING:** Wednesday, January 18, 2022, at 9:00 a.m. via Zoom/Video Conference Call and Conference Room B.

COMMITTEE REPORTS

Landscape

No report was presented.

Physical Property

No report was presented.

Laundry Rooms/Emergency Information

No report was presented.

DIRECTORS' COMMENTS

No Directors made comments.

ADJOURNMENT

President DeRungs adjourned the meeting at 10:45 a.m. and announced that there would be an Executive Session following the meeting to discuss members issues.

EXECUTIVE SESSION SUMMARY

The Board met in Executive Session on Wednesday, November 16, 2022, at 11:02 a.m., and took the following actions:

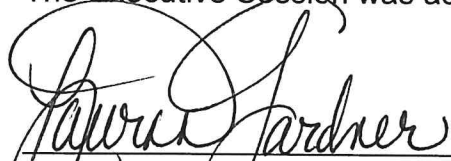
**BOARD OF DIRECTORS
MUTUAL FIVE**

November 16, 2022

The board approved the Executive Session Minutes of October 19, 2022.

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

The Executive Session was adjourned at 12:01 a.m.



Attest, Laura Gardner, Secretary
SEAL BEACH MUTUAL FIVE
DE/KV 11/17/22
Attachments

INSPECTOR MONTHLY MUTUAL REPORT

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

MUTUAL BOARD MEETING DATE: November, 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: (05) FIVE		INSPECTOR: Mike Meza					
MUTUAL BOARD MEETING DATE:		November, 2022					
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
114-L	FLOORING	GRF	09/30/22	10/30/22	\$8,000	FINAL 10/25/22	KARYS CARPET
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
115-F	SHOWER REMODEL	BOTH	10/13/22	12/30/22	\$10,000		MP CONSTRUCTION
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	FINAL 10/31/22	MJ JURADO
70-F	ELECTRICAL WORK	BOTH	11/01/22	01/30/23	\$750		CJ CONSTRUCTION
122-L	FLOORING	GRF	11/01/22	12/30/22	\$1,440		KARYS CARPET
71-B	FLOORING	GRF	11/01/22	11/30/22	\$1,428		B&B CARPET
102-I	FLOORING	GRF	11/07/22	11/11/22	\$2,147		CORNERSTONE
94-J	LOWER STORAGE CABINET	GRF	11/10/22	12/01/22	\$1,000		MJ JURADO
113-A	COUNTERTOP KIT	BOTH	11/14/22	12/10/22	\$9,350		M&M SKYLIGHTS
97-C	SLIDING DOOR	BOTH	12/31/22	02/28/23	\$7,800		VICKERS CONSTRUCTION
69-K	SHOWER CUT DOWN	BOTH	01/30/22	02/28/23	\$4,535		NUKOTE

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	10/26/22	10 6 23
71-A		11/02/21	03/01/22	03/04/22	03/18/22	04/05/22	
71-B		10/26/22					
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					
93-L		10/22/22	11/01/22	11/2/22			
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					

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: (05) FIVE		INSPECTOR: Mike Meza					
MUTUAL BOARD MEETING DATE:		November, 2022					
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	11/09/22				
113-A		04/19/22	05/04/22	05/11/22	05/25/22	06/10/22	
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	
122-E		10/21/22					
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
MP CONSTRUCTION	10 Electrical panels

SPECIAL PROJECTS

Contractor	Discription of Work
MJ JURADO	5-70-F New patio

10-31-22

P.O. Box 2069
Seal Beach CA 90740

Oct Actual	Oct Budget		2022 Y-T-D Actual	2022 Y-T-D Budget
138,506	138,508	Carrying Charges	1,385,063	1,385,080
63,558	63,559	Reserve Funding	635,581	635,590
202,064	202,067	Total Regular Assessments	2,020,644	2,020,670
11	54	Financial Income	1,070	540
2,725	7,655	Other Income	62,784	76,550
2,736	7,709	Total Other Income	63,854	77,090
204,800	209,776	Total Mutual Income	2,084,498	2,097,760
84,639	84,639	GRF Trust Maintenance Fee	830,120	846,390
16,252	15,267	Utilities	159,223	152,670
(3,726)	694	Professional Fees	11,822	6,940
0	84	Office Supplies	279	840
50,331	31,341	Outside Services	303,147	313,410
4,410	14,195	Taxes & Insurance	149,141	141,950
63,558	63,559	Contributions to Reserves	635,581	635,590
215,464	209,779	Total Expenses Before Off-Budget	2,089,314	2,097,790
(10,663)	(3)	Excess Inc/(Exp) Before Off-Budget	(4,816)	(30)
15,738	0	Depreciation Expense	141,322	0
(26,402)	(3)	Excess Inc/(Exp) After Off-Budget	(146,139)	(30)
		Restricted Reserves		
393	0	Appliance Reserve Equity	23,279	0
687	0	Painting Reserve	316,891	0
0	0	Contingency Operating Equity	65,520	0
38,137	0	Roofing Reserve	541,881	0
(4,107)	0	Emergency Reserve Equity	77,925	0
10,634	0	Infrastructure Reserve	202,828	0
45,743	0	Total Restricted Reserves	1,228,324	0

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

- 1 For the month of October, Mutual 5 was over budget with Excess Expenses of (\$10,663). For the year to date, Mutual 5 is also over budget for the first time this year with Excess Expenses of (\$4,786) as shown on **page 5 of the MFS**. This reflects the GRF refund received in April of **\$16,270** of excess income for the year 2021 (**page 3 of MFS**).
- 2 The main reason for the over-budget is a combination of operating expenses being over-budget by (\$7,803) and operating income being less than expected by (\$13,236). See **MFS pages 4 and 5**.
- 2a Maintenance Replacements, was below the average for the year at \$4,365, leaving a Reserve Fund balance of **\$23,278.63** (**page 9 of MFS**). Our goal is to have a balance of at least **\$43,014** at year end to lead into to the 2023 Budget. All of the Reserve Accounts and the SRO Reports are monitored very closely each month for budget performance.
- 2b Water expenses are over budget by (\$857) for the month and over budget (\$3,236) for YTD (**page 3 of MFS**). Water cost for October went up 25% from September.

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

- 3 Investment Portfolio: please see page 21 (hand written number at the bottom of page) of the **MFS** to see how the reserve Funds are invested. Most of the available cash is in money-market accounts with a 0.005% interest rate. The remainder is in CD's with 4.3% and 4.4% intrest rates.

ENDING BALANCE BANK ACCOUNTS

4	RESTRICTED RESERVES (acct ending...9690)	1,453,242.80
5	NON-RESTRICTED RESERVES (acct ending...3364)	305,403.70
6	CHECKING ACCOUNT (acct ending...3181) adjusted for outstanding checks	35,091.93
7	M5 INVESTMENTS (US Bancorp Investments)	300,000.00

ENDING BALANCE OF MAJOR RESERVES

Types	Ending Balance	S/H Contribution		MFS Page No.
		Monthly	per unit	
8 ROOFING <i>After Project Commitments for 2022 ReRoofs</i>	541,881.29	44,317.50	90.08	14
9 APPLIANCES	23,278.63	4,758.08	9.67	9
10 PAINTING	316,890.94	686.67	1.40	11
11 INFRASTRUCTURE	202,828.46	13,795.83	28.04	18
12 CONTINENCY OPERATING FUNDS	65,519.68	-	-	12
13 EMERGENCY RESERVES	77,925.03	-	-	16
	1,228,324.03	63,558.08	129.18	

INCOME AND EXPENSES

	From Monthly Financial Statement Pages 4, 5, 22	October Actual	October Budget	October Variance	2022 YTD Actual	2022 YTD Budget	MFS Page No.
14	MUTUAL TOTAL INCOME	204,800	209,776	(4,976)	2,084,498	2,097,760	5, 22
15	CONTRIBUTION TO RESERVES	63,558	63,559	(1)	635,581	635,590	4, 5, 22
16	EXPENSES *	67,267	61,581	(5,686)	623,613	615,810	4
17	EXCESS INCOME over(under) EXPENSES	(10,663)			(4,786)		5, 22

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

2

CONCRETE PROJECTS - (Jurado or SM or JJ) 2022

10/31/2022

Line #	Date of Work	Location	Project Cost	Date of Payments	Remarks
17					
18	Dec. 2021	Carports 60, 61,62,63 - Pavement	121,275.00	11/17/21	1/12/22 (2nd payment)
19	Dec. 2021	Carport 63 Change Order - Pavement	5,643.75	1/12/22	
20	Mar. 2022	Concrete Walks: Bldgs. 102 to 112 *	96,055.00	6/6/22	Also Includes Bldgs. 108,109,110,111
21	Sept 2022	Concrete Walks: Bldg. 100F *	11,682.00	9/14/22	
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34			* Infrastructure Reserves for Concrete Walks/Drains for 2022		
35		Total to Date:	107,737.00	2022 Budget: \$100,000; \$7,737 charged to 2023 Budget	

	Fees Collected	Monthly Budget	Oct '22	Sep '22	Aug '22	Jul '22	Jun '22	May '22	Apr '22	Mar '21
36	Buyer's Premium	2,500	1,500	2250	1,500	750	3,000	3,000	3,000	3,750
37	Inspection Fees	4,700	1,200	1200	2,400	4,800	3,600	3,600	3,600	1,200
38	Transfer Fee			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 (\$)
39	69 2 Bedroom	Low Slope	153	798	122,094
40	71 Laundry Room - 2 Bedrooms	Low Slope	158	798	126,084
41	99 1 and 2 Bedrooms	Low Slope	123	798	98,154
42	102 Laundry Room - 2 Bedrooms	Low Slope	158	840	132,720
43	TOTAL				479,052

Avg Cost/Apt = \$9,980

ROOFING PROJECTS 2021 and 22 Budget Year (Start date: September 13, 2022 | Finish 11-6-22)

	Building No. and Type	Roof Type	Roof SQ	Cost (\$) per SQ	Contract Cost (\$)
45	113 2 Bedrooms (5) (Order of construction)	Low Slope	153	941	143,973
46	120 1 and 2 Bedrooms (4)	Low Slope	123	941	115,743
47	100 2 Bedrooms (3)	Low Slope	153	941	143,973
48	101 2 Bedrooms (2) Completed	Low Slope	153	941	143,973
49	70 2 Bedrooms (1) Completed	Low Slope	153	941	143,973
50	TOTAL			11,527.25	691,635

Avg Cost/Apt = \$11,527

SUMMARY FOR REFERENCE—2022 OPERATING BUDGET

Line #

- 51 **EXPECTED MONTHLY M5 HOA Income: \$117,425.64** (\$238.67/month X 492 UNITS)
- 52 **M5 HOA Cost per month per unit \$238.67** (increase of \$12.43) for year 2022
- 53 **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
54 OPERATING EXPENSES	125.16	738,945	38,915
55 OPERATING INCOME	15.67	92,515	23,498
56 NET OPERATING COST	109.49	646,430	34,480
57 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 2021 to 2022
58	APPLIANCE	9.67	57,097	(2.25)
59	PAINTING	1.40	8,240	1.40
60	ROOFING	90.08	531,810	2.63
61	INFRASTRUCTURE	28.04	165,550	6.18
62	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
63 LANDSCAPE-CONTRACT	29.70	175,349	5,432
64 LANDSCAPE-EXTRAS	3.39	20,015	(59)
65 LANDSCAPE-TREES	3.05	18,007	0
66 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
67 STANDARD SERVICE	\$18.12	\$106,980	\$3,955



PORTFOLIO SPECIALIST REPORT

NOVEMBER 2022

PROPER USE OF GARBAGE DISPOSAL

When using the garbage disposal be sure to run plenty of water!

Follow these easy steps when using the garbage disposal:

1. Turn on the cold water
2. Turn on the disposal
3. Feed the material into the disposal a little at a time
4. When the hammering stops, turn off the disposal and keep the water running for one minute
5. Make sure to run the disposal every day, even though you are not putting it to normal use
6. If the disposal stops working, locate the RED re-set button on the bottom surface of the unit and hold for 30-seconds.

REMINDER

Please do not grind these items

Bones
Carrot peelings
Celery & Rhubarb Stalks
Coffee Grounds
Corn Cobs—Husks or Silks
Egg Shells

Onion Skins
Pea Pods
Potato Peelings
Grease
Pills
Glass
Rice
Any fibrous materials

If the disposal is not grinding as well as it should, grind some ice to sharpen the blades.

To deodorize the disposal, grind some lemon, lime, or orange rinds.



FIRE SAFETY

November 2022

Portfolio Specialist Report



ORANGE COUNTY FIRE AUTHORITY NOVEMBER 2022 SOCIAL MEDIA / RSG! TOPICS

KEEP a lid or fire extinguisher
NEARBY when cooking

ocfa.org

Holiday Cooking Safety: More cooking fires are reported on Thanksgiving Day than any other day of the year, followed by Christmas and Christmas Eve. Help protect your family and home by keeping a lid or fire extinguisher nearby when cooking this holiday season. For more information on holiday cooking safety, visit ocfa.org.

STAY in the kitchen when cooking
NEVER LEAVE food unattended

ocfa.org

Holiday Cooking Safety: Unattended cooking is the leading cause of home cooking fires. Stay in the kitchen when frying, grilling, or broiling food. For more information on cooking safety, visit ocfa.org

PULL the PIN, **AIM LOW**, **SQUEEZE** the LEVER,
SWEEP the NOZZLE from side to side

ocfa.org

Fire Extinguishers: Fire extinguishers can save lives and property! Use the P.A.S.S. Method – Pull the pin, Aim low, Squeeze the lever, and Sweep the nozzle from side to side. For more information on fire extinguishers, visit ocfa.org.

AS WILDFIRE APPROACHES

As wildfire approaches, have the following ready in case you need to evacuate:

- 1 People and Pets
- 2 Papers, phone numbers, and documents
- 3 Prescriptions and eyeglasses
- 4 Pictures and keepsakes
- 5 Personal computers and electronics
- 6 Plastic credit cards

READY, SET, GO!
www.ocfa.org/RSG
(714) 573-6774

As Wildfire Approaches: To prepare for a possible evacuation, load everything in your car, including your Disaster Supply Kit and Go! Bag. Back the car in the driveway and keep the keys with you in case you need to leave quickly. For more information on what to do as wildfire approaches, visit ocfa.org/RSG.

FIRE EXTINGUISHERS



Fire extinguishers can save lives and property, but should only be used if the fire is small, smoke and heat have not filled the room, and if you have a clear escape route. If you're unsure, evacuate immediately and call 9-1-1.



Since fire grows and spreads rapidly, the number one priority is to get out safely.



**Orange County
Fire Authority**

(714) 573-6200
ocfa.org



Types of Fire Extinguishers

Multipurpose (ABC) fire extinguishers are recommended for home use. Fire classifications are used to indicate the type of fire they will extinguish.

- A – For use with ordinary materials like cloth, wood, and paper.
- B – For use with flammable liquids like grease, gasoline, oil, and oil-based paints.
- C – For use with electrical equipment that is connected to an outlet.

Before Using a Fire Extinguisher

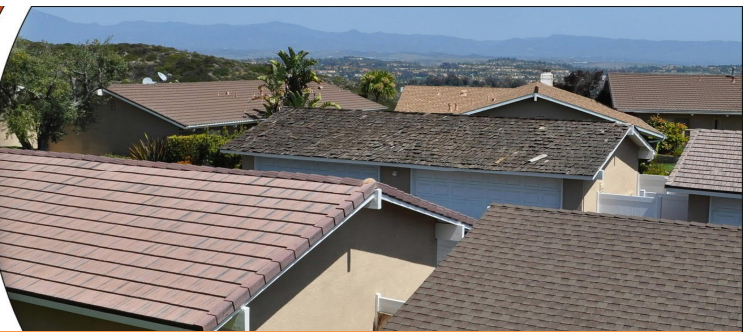
- Alert others that there is a fire and appoint someone to call 9-1-1.
- Make sure the fire is small, not spreading, and that you have a clear escape route.

The P.A.S.S. Method

- Pull the pin.
- Aim low. Stand six to eight feet away and point the extinguisher nozzle at the base of the fire.
- Squeeze the lever slowly and evenly.
- Sweep the nozzle from side to side until the fire is completely out.

Fire Extinguisher Maintenance

- Keep your extinguisher in plain view and out of the reach of children.
- Read and follow all instructions on the label and check for dents, corrosion or damage monthly.
- Non-rechargeable fire extinguishers should generally be replaced every five to seven years.
- Fire extinguishers are good for one use only. To dispose of an extinguisher, release the pressure by squeezing contents into a trash can. Let the extinguisher sit for 48 hours and then throw it in a trash can. You can also drop off used extinguishers at any household hazardous waste facility.



The roof is the most at-risk part of a home during a wildfire. Even if the flames never reach your property, windblown embers can threaten your home and bring fire to your front door.



Keep your roof clear of debris year round.



Orange County
Fire Authority

www.ocfa.org/RSG

If burning embers cause your roof to catch fire, it is likely that the fire will spread to the rest of your home. Homes with flammable roofs are much more likely to be destroyed than those with fire-resistant roofs.

Pine needles, leaves, and debris build up put your roof at risk from burning embers.

Plug gaps between the roof covering, roof deck or sheathing with non-combustible materials regardless of your roof's rating. This is often called "bird stopping," as it stops birds from building nests in gaps on the roof's edge.

Replacing plastic skylights with dual pane glass is another way to better protect your home. Dual panes and tempered glass are much more likely to resist damage if exposed to burning embers.

For more information, please visit the OCFA website or call (714) 573-6774 to schedule a Wildfire Home Assessment.

READY, SET, GO!

AS WILDFIRE APPROACHES



Early evacuation is the best way to protect yourself and your loved ones during a wildfire. As a wildfire approaches, follow these steps to help prepare your family and home, and make your evacuation safer.



Review your Wildfire Action Plan so all family members have the same information and know what to do.



**Orange County
Fire Authority**

www.ocfa.org/RSG

Have all necessities ready, including the 6 P's, in case you have to evacuate:

1. People and pets
2. Papers, phone numbers, and important documents
3. Prescriptions, medical equipment, and eyeglasses
4. Pictures, family keepsakes, and other meaningful items
5. Personal computers, hard drives, tablets, or other data storage devices, including cell phones, and chargers
6. Plastic credit cards, ATM cards, and cash

Load everything into your car, including your Disaster Supply Kit and Go! Bag. Then, back the car into the driveway and close the windows and doors. Keep the keys with you, in case you need to leave quickly.

At Home:

- Close all windows and doors
- Shut off air conditioning and fans
- Close the fireplace flue
- Leave lights on, including porch lights
- Move outdoor combustible items (patio furniture, door mats, charcoal, firewood, lighter fluid, brooms, trash cans, etc.) away from the house or bring them inside
- Turn off propane tanks
- Close the garage door
- Connect garden hoses to spigots and place them so they can reach any area of the house
- Don't leave sprinklers on or water running as this can waste critical water pressure

For more information, please visit the OCFA website or call **(714) 573-6774** to schedule a Wildfire Home Assessment.

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 **\$35,000** 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

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 - 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 ¹ minus the actual age of each applicant ² 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%³ 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.

¹ 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>

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

³ 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~~ **\$35,000** 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~~ \$35,000*
 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) ²
 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

² 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

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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

SEAL BEACH MUTUAL NUMBER FIVE**Mutual Operations****ADOPT****Personal Property/ Liability Insurance**

1 For the purposes of this policy, the term “Unit” or “Apartment” shall refer to the living
 2 space granted to the Shareholder by the occupancy agreement. “Shareholder” means a
 3 Member of Mutual Five as the term is defined in the Mutual’s governing documents.
 4

- 5 1. Mutual Five Shareholders, at their sole expense, must purchase and maintain
 6 insurance covering their real and personal property whether the Unit is Shareholder
 7 occupied, vacant or held out for rent. This includes, without limitation.
 8
- 9 a. personal property coverage that insures the contents of their Unit against
 10 damage or loss;
 - 11 b. real property coverage that insures their Unit against damage or loss,
 12 including, but not limited to, all improvements to the Unit and all fixtures and
 13 components within or appurtenant to the Unit;
 - 14 c. real property coverage that insures Exclusive Use and Non-Exclusive Use
 15 Common Area servicing the Unit;
 - 16 d. premises liability that includes protection for bodily injury and property
 17 damage;
 - 18 e. personal liability coverage with a policy limit of at least \$300,000;
 - 19 f. loss of use that protects a Shareholder for additional living expenses, loss of
 20 rents, or any other losses should their Unit become uninhabitable due to a
 21 covered loss;
 - 22 g. loss assessment coverage that protects against Assessments due to a loss
 23 which exceeds the Mutual’s master policy limits or deductible, master policy
 24 deductible coverage, and such other coverage as the Shareholder deems
 25 appropriate.
 26
- 27 2. In addition, if a Shareholder operates a vehicle which is driven across or stored in
 28 the Mutual’s Common Areas, the Shareholder must carry appropriate automobile
 29 insurance. The Mutual has no obligation to police this provision and is specifically
 30 relieved of any responsibility or liability from doing so or failing to do so.
 31
- 32 3. Shareholders are required to display their insurance policy declaration page on
 33 their kitchen counter during fire/safety inspections.
 34
- 35 4. Shareholders hereby waive their claims against the Mutual to the extent such claims
 36 are covered under insurance which Shareholders are required to carry, regardless
 37 of whether Shareholders actually carry such insurance.
 38
 39
 40

(Oct 2022)

SEAL BEACH MUTUAL NUMBER FIVE**Mutual Operations****ADOPT****Personal Property/ Liability Insurance**

- 41 5. If any loss intended to be covered by the Mutual's insurance occurs and the
 42 proceeds payable by the Mutual's insurance are reduced because of proceeds paid
 43 under a Shareholder's insurance coverage, that Shareholder must assign such
 44 insurance proceeds to the Mutual, to the extent of the reduction. The Board must
 45 apply those proceeds to the same purposes as the reduced proceeds received by
 46 the Mutual.
- 47
- 48 6. If a Shareholder has a non-owner occupant, caregiver, washer and/or dryer, bidet
 49 toilet or bidet toilet attachment, dishwasher, ice maker, golf cart, Jacuzzi type tub,
 50 therapeutic walk-in tub, outdoor hot tub, water filter and/or water purification
 51 system, instaheat water heater, extended patio and/or unit, Shareholder owned
 52 water heater, heat pump, air conditioning or heating equipment, liability insurance
 53 must cover all nonstandard items, including the increased liability these items
 54 create.
- 55
- 56 7. Shareholders must require Lessees to have renters or tenant insurance, including
 57 coverage for damage to or loss of personal property, personal liability, medical
 58 payment to others, and loss of use. The liability insurance must have a policy limit
 59 of at least \$300,000.
- 60
- 61 8. The Golden Rain Foundation and the Mutual are not responsible for personal
 62 property within or attached to the unit or stored or parked on the street or in the
 63 carport including property stored in or under the storage cabinets in the carport.
- 64
- 65 9. Shareholders should consider obtaining sufficient coverage to insure the value of
 66 any artwork, jewelry, antiques or other items that would not normally be covered by
 67 an average policy for personal property.
- 68
- 69 10. The Mutual's Master Insurance Policy covers the Mutual's buildings and common
 70 areas including properly permitted expansions, but for standard building materials
 71 only. It does not cover non-standard items such as upgraded doors, bay windows,
 72 multi-pane windows, flooring, window treatments, special countertops, heat
 73 pumps/air conditioning, dishwashers, washer/dryers, microwaves, and other
 74 special appliances.
- 75
- 76 11. The HO6 condominium policy is generally recommended.
- 77
- 78 12. Earthquake damage is not covered by the Mutual's policy
- 79
- 80

(Oct 2022)

SEAL BEACH MUTUAL NUMBER FIVE

Mutual Operations

ADOPT

Personal Property/ Liability Insurance

Document History

Adopted: 16 Nov 2022

Keywords: Personal Property Liability Insurance

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ADOPT

(Oct 2022)

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**

SEAL BEACH MUTUAL NUMBER FIVE

Physical Property

ADOPT

Electric Vehicle Charging Station and EV-Dedicated Time of Use Meter Installation

This Electric Vehicle Charging Station and EV-Dedicated TOU Meter Policy (“Policy”) is established in accordance with Civil Code §§4745 and 4745.1 and the Mutual’s Governing Documents, to govern the installation of electric vehicle charging stations and electric vehicle, as defined below, within the development and provide requirements for Shareholders seeking approval from the Board of Directors (“Board”) for installation of a solar energy system. The Policy revokes all previous Operating Rules, Regulations and Policies regarding the same matters and substitutes this Policy in their place.

1. Definitions

- a. “Electric Vehicle Charging Station” means a station, compliant with the California Building Standards Code, which delivers electricity from a source outside an electric vehicle into one or more electric vehicles. An electric vehicle charging station may include several charge points simultaneously connecting several electric vehicles to the station and any related equipment needed to facilitate charging plug-in electric vehicles. Civil Code §4745(d).
- b. “EV-Dedicated TOU Meter” means an electric meter supplied and installed by an electric utility, that is separate from, and in addition to, any other electric meter and is devoted exclusively to the charging of electric vehicles, and that tracks the time of use (TOU) when charging occurs. An EV-Dedicated TOU meter includes any wiring or conduit necessary to connect the electric meter to an electric vehicle charging station, as defined in Civil Code §4745.1, regardless of whether it is supplied or installed by an electric utility. Civil Code §4745.1(d).
- c. Definitions in Governing Documents. Capitalized terms herein have the same definitions as the same terms when found in the Mutual’s current Governing Documents or the law.

2. General Requirements

- a. Health and Safety Compliance. All Electric Vehicle Charging Stations and EVDedicated TOU Meters installed in the Development must meet applicable health and safety standards and requirements imposed by state and local authorities, and all other applicable zoning, land use, or other ordinances, or land use permits. Civil Code §§4745(c) and 4745.1(c).
- b. Governing Documents. Installation, removal, replacement, and use of any Electric Vehicle Charging Station and EV-Dedicated TOU Meter must comply

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with all architectural procedures, standards and other requirements of the Mutual’s Governing Documents. Civil Code §§4745(f)(1)(A) and 4745.1(f)(1)(A).

- c. Licensed Contractors. Regardless of whether Mutual approval is required, any installation, removal, replacement of an Electric Vehicle Charging Station and EVDedicated TOU Meter must be performed by a contractor, licensed by the State of California to perform the necessary work, and who has liability insurance for the work to be provided with commercially reasonable policy limits.
- d. Building Department and Mutual Approvals. Any installation, removal or replacement of an Electric Vehicle Charging Station or EV-Dedicated TOU Meter requiring the issuance of a building permit must be submitted by the Shareholder to the appropriate governmental entity for review and approval. If there is a conflict between the conditions of approval imposed by the governmental entity and the Mutual, the more restrictive conditions will control. The Board may impose conditions of approval which are more restrictive than conditions imposed by governmental agencies.

3. Architectural Approval Requirements and Procedures

- a. Approval Required. Installation, removal or replacement of an Electric Vehicle Charging Station or EV-Dedicated TOU Meter, including any related wiring, conduits, or other components, within or through any portion of the Shareholder’s Exclusive Use Common Area or the Common Area, without advanced written approval from the Mutual’s Board of Directors is prohibited. Installation, removal or replacement of an Electric Vehicle Charging Station or EV-Dedicated TOU Meter, including all related wiring, conduit and other components, entirely within the Shareholder’s separate interest does not require Mutual approval, but is subject to all other requirements herein and required by law.
- b. Approval Process. Any application for approval of the installation of an Electric Vehicle Charging Station or an EV-Dedicated TOU Meter must be processed and approved by the Mutual in the same manner as any other architectural application for approval and must not be willfully avoided or delayed. Approvals and disapprovals must be in writing. Civil Code §§4745(e) and 4745.1(e). Disapprovals must include both an explanation of why the proposed change is disapproved and a description of the procedure for

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81 reconsideration of the decision by the Board. Civil Code §4765(a)(5).

- 82
- 83 c. Approval of Individuals Prohibited. Applications cannot not be approved by
- 84 any individual Director. In the event an individual Director approves
- 85 architectural plans and specifications, such approval should not be relied
- 86 upon and will not be deemed approval.
- 87
- 88 d. Appeal to Board. If a proposed installation is disapproved, the Shareholder
- 89 is entitled to reconsideration by the Board at an open meeting of the Board,
- 90 except if the disapproval was made at a properly noticed open meeting of the
- 91 Board or a committee that has the same membership as the Board. Civil Code
- 92 §4765(a)(5).
- 93
- 94 e. Submission of Plans. Plans and specifications in accordance with the
- 95 Mutual's Governing Documents must be submitted to the Board by personal
- 96 delivery or certified mail. Unless a delay in approval by the Board is the result
- 97 of (i) the applicant's failure to properly submit an application in accordance
- 98 with the Mutual's guidelines, or (ii) a reasonable request by the Board for
- 99 additional information, the application will be deemed approved after forty-
- 100 five (45) days of being submitted to the Board, unless the application has
- 101 been disapproved by the Board. Civil Code §§4745(e) and 4745.1(e). Provided,
- 102 however, that all applications that violate the Mutual's Governing Documents
- 103 or Building and Safety Codes are automatically disapproved without action
- 104 by the Board unless variances are specifically approved in writing by the
- 105 Board.

106

107 **4. Conditions of Approval**

- 108
- 109 a. Conditions of Approval – Electric Vehicle Charging Station. The Shareholder
- 110 must meet the following conditions before approval will be granted for the
- 111 installation, removal, replacement of an Electric Vehicle Charging Station,
- 112 including any related wiring, conduits, or other components, within or
- 113 through any portion of the Shareholder's Exclusive Use Common Area or the
- 114 Common Area:
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- 116 i. Use a licensed contractor to install the station.
- 117 ii. Provide a certificate of insurance that names the Mutual as an
- 118 additional insured under the Shareholder's insurance policy in the
- 119 amount of \$1,000,000.
- 120 iii. Pay for both the costs associated with the installation of and the

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121 electricity usage associated with the Electric Vehicle Charging Station.

- 122 iv. Execute an agreement containing covenants to be prepared by the
 123 Mutual, at the Shareholder's expense, which makes the current and
 124 future owners of the Shareholder's dwelling unit responsible for at
 125 least the following:

- 126
- 127 1. Costs for damage to the Electric Vehicle Charging Station,
 128 Common Area, Exclusive Use Common Area, or separate
 129 interests resulting from the installation, maintenance, repair,
 130 removal, or replacement of the charging station.
- 131
- 132 2. Costs for the maintenance, repair, and replacement of the
 133 Electric Vehicle Charging Station until it has been removed and
 134 for the restoration of the Common Area after removal.
- 135
- 136 3. The cost of electricity associated with the Electric Vehicle
 137 Charging Station.
- 138
- 139 4. Disclosing to prospective buyers the existence of any Electric
 140 Vehicle Charging Station of the Shareholder and the related
 141 responsibilities of the Shareholder under the agreement.

142

143 **Civil Code §4745(f).**

- 144
- 145 b. Conditions of Approval – EV-Dedicated TOU Meter. The Shareholder must
 146 meet the following conditions before approval will be granted for the
 147 installation, removal, or replacement of an EV-Dedicated TOU Meter,
 148 including any related wiring, conduits, or other components, within or
 149 through any portion of the Shareholder's Exclusive Use Common Area or the
 150 Common Area:

- 151
- 152 i. Engage the relevant electric utility to install the EV-Dedicated TOU
 153 Meter and, if necessary, a licensed contractor to install wiring or
 154 conduit necessary to connect the electric meter to an Electric Vehicle
 155 Charging Station at Shareholder's expense.
- 156 ii. Provide a certificate of insurance that names the Mutual as an
 157 additional insured under the Shareholder's insurance policy in the
 158 amount of \$1,000,000.
- 159 iii. Execute an agreement containing covenants to be prepared and
 160 recorded by the Mutual, at the Shareholder's expense, which makes

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the current and future owners of the Shareholder's dwelling unit responsible for the following:

1. Costs for damage to the EV-Dedicated TOU Meter, Common Area, Exclusive Use Common Area, or separate interests resulting from the installation, maintenance, repair, removal, or replacement of the EVDedicated TOU Meter.
2. Costs for the maintenance, repair, and replacement of the EVDedicated TOU Meter until it has been removed and for the restoration of the Common Area after removal.
3. Disclosing to prospective buyers the existence of any EV-Dedicated TOU Meter of the Shareholder and the related responsibilities of the Shareholder under the agreement

Civil Code §4745.1(f).

5. Additional Restrictions and Conditions of Approval. The Mutual may impose additional reasonable restrictions and architectural standards concerning the installation, use, removal and replacement of Electric Vehicle Charging Stations and EV-Dedicated TOU Meters. The Board may impose additional reasonable conditions of approval of the Shareholder's architectural request to install an Electric Vehicle Charging Station or EV-Dedicated TOU Meter which are not inconsistent with the Mutual's Governing Documents and the law.

a. Limitations on Electric Vehicle Charging Station Restrictions. Restrictions on Electric Vehicle Charging Stations may not significantly increase the cost of the station or significantly decrease its efficiency or specified performance. Civil Code §4745(b).

b. Limitations on EV-Dedicated TOU Meter Restrictions. Reasonable restrictions and conditions on EV-Dedicated TOU Meters may be based on space, aesthetics, structural integrity, and equal access to such services for all Shareholders, but the Mutual must attempt to find a reasonable way to accommodate the requested installation unless doing so would require the Mutual to incur an expense. Civil Code §4745.1(b).

6. Permissible Installation Locations

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- a. **Electric Vehicle Charging Stations. Electric Vehicle Charging Stations may be installed in the following locations.**
- i. **Separate Interest or Designated Space. The Mutual must permit installation of Electric Vehicle Charging Stations within a Shareholder's dwelling unit or in a designated parking space, including, but not limited to, a deeded parking space, a parking space in a Shareholder's Exclusive Use Common Area (as defined in the Mutual's Governing Documents), or a parking space that is specifically designated for use by a particular Shareholder. Civil Code §4745(a).**
 - ii. **Common Area for Exclusive Use by a Shareholder. The Mutual must permit installation of Electric Vehicle Charging Stations for the exclusive use of a Shareholder in the Common Area, which is not Exclusive Use Common Area, only if installation in the Shareholder's designated parking space is impossible or unreasonably expensive. In this case, the Mutual and Shareholder must enter into a license agreement for the use of the space in the Common Area. Civil Code §4745(g).**
 - iii. **Common Area for Use by all Shareholders. Upon approval of the Board or the Membership of the Mutual, an Electric Vehicle Charging Station may be installed in the Common Areas for the use of all Shareholders of the Mutual, subject to such terms and conditions of use established by the Mutual. Civil Code §4745(h).**
 - iv. **New Parking Space. The Mutual may create a new parking space where one did not previously exist to facilitate the installation of an Electric Vehicle Charging Station. Civil Code §4745(i).**
- b. **EV-Dedicated TOU Meters. EV-Dedicated TOU Meters may be installed in the following locations.**
- i. **Shareholder's Separate Interest. To the extent reasonably possible, an EVDedicated TOU Meters must be installed in the Shareholder's separate interest.**
 - ii. **Exclusive Use Common Area. If installation of an EV-Dedicated TOU Meters in the Shareholder's separate interest is not reasonably possible, it must be installed in the Shareholder's Exclusive Use Common Area, if any.**
 - iii. **Common Area for Exclusive Use by a Shareholder. If installation in the Shareholder's separate interest and the Shareholder's Exclusive Use Common Area, if any, is not reasonably possible, an EV-Dedicated TOU**

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Meter may be installed in the non-exclusive Common Area, if reasonable. In this case, the Mutual and Shareholder must enter into a license agreement for the use of the space in the Common Area.

- iv. Common Area for All Shareholders. Upon approval of the Board or the Membership of the Mutual, an EV-Dedicated TOU Meter may be installed in the Common Areas for the use of all Shareholders of the Mutual, subject to such terms and conditions of use established by the Mutual. Civil Code §4745.1(g).

7. Other Requirements**a. Insurance**

- i. Insurance Required. Any Shareholder with an Electric Vehicle Charging Station or EV-Dedicated TOU Meter, whether located within a separate dwelling unit or within the Common Area or Exclusive Use Common Area, must, at all times, maintain a liability coverage policy with limits of one million dollars (\$1,000,000). The Shareholder that submitted the application to install the Electric Vehicle Charging Station or EV-Dedicated TOU Meter must provide the Mutual with the corresponding certificate of insurance within 14 days of approval of the application. That Shareholder and each successor Shareholder must provide the Mutual with the certificate of insurance annually thereafter. Civil Code 4745(f)(3).
- ii. Exception to Insurance Requirement. A Shareholder is not required to maintain a liability coverage policy for an Electric Vehicle Charging Station consisting of an existing National Electrical Manufacturers Association standard alternating current power plug. Civil Code §4745(f)(4).

- b. Good Standing. Only Shareholders in Good Standing may submit architectural requests for approval of Electric Vehicle Charging Stations or EV-Dedicated TOU Meters. "Good Standing" is defined to mean Shareholders who are not delinquent by more than sixty (60) days in the payment of any Assessment, fee, or fine, and not found to be in violation of the Mutual's Governing Documents (following proper notice, hearing, and a finding by the Board).

- c. Architect/Consultant. The Board may retain the services of an architect and one or more consultants to assist the Board in its duties. Compensation for consultants' services must be fixed by the Board. The cost of such

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consultants and any related expenses may be charged to those Shareholders submitting plans for installation of Electric Vehicle Charging Stations or EV-Dedicated TOU Meters. Any significant costs must be submitted to the Shareholder for approval before being incurred by the Mutual.

d. Inspection. The Mutual has the right, but not the obligation, to periodically inspect any work approved by the Board. Shareholders must allow inspection and work may be halted and the Shareholder fined if inspection is not allowed. Such inspections do not relieve a Shareholder from his/her duty to comply with the Mutual’s Architectural Standards and all applicable building and fire codes.

e. Mechanics’ Liens. Shareholders must ensure that no lien is placed against any other dwelling unit or against the Common Areas for labor or material furnished to the applicant Shareholder’s dwelling units. If a lien is placed against the Common Areas and any other Shareholders’ dwelling units, and the responsible Shareholder does not immediately cause the removal of the lien, the Mutual may, after written notice to the responsible Shareholder, pay the amounts necessary to have the lien removed and levy a Reimbursement Assessment against the responsible Shareholder for the monies advanced as well as any fees and costs incurred by the Mutual to remove the lien.

Document History

Adopted: 16 Nov 2022

Keywords: Electrical Vehicle Charging-Station Time of Use Meter Installation

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SEAL BEACH MUTUAL NUMBER FIVE**Physical Property****ADOPT****Solar Panel Installation**

1 This Solar Energy System Policy (“Policy”) is established in accordance with Civil Code
 2 sections 714, 714.1 and 4746 and the Mutual’s governing documents, to govern the
 3 installation of solar energy systems, as defined below, within the development and
 4 provide requirements for Shareholders seeking approval from the Board of Directors
 5 (“Board”) for installation of a solar energy system. All the Civil Codes noted above taken
 6 together, allow that the shareholder has the right to install a rooftop solar energy system
 7 “on the roof of the building in which the shareholder resides” pursuant to Civil Code
 8 section 714.1(b)(1). Civil Code §4600(b)(3)(J) creates an exception to the membership
 9 approval requirements of Civil Code §4600(a) for the installation of solar energy systems
 10 that meet the requirements of the above statutes.

11
 12 1. Operating Rule. This Solar Energy System Policy is an operating rule, as defined in
 13 Civil Code §4340(a), subject to, supplementing, and in addition to the Mutual’s other
 14 governing documents. This policy amends the previous Solar Policy adopt on May
 15 15, 2019.

16
 17 2. Definition. A solar energy system (“System”) means either of the following, all as
 18 defined in Civil Code §801.5:

19
 20 a. Any solar collector or other solar energy device whose primary purpose is to
 21 provide for the collection, storage, and distribution of solar energy for space
 22 heating, space cooling, electric generation, or water heating; or

23
 24 b. Any structural design feature of a building, including the following:

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 26 i. Solar racking, solar mounting, and elevated solar support structures,
 27 including, but not limited to, solar carports, solar shade structures,
 28 solar awnings, solar canopies, and solar patio covers, regardless of
 29 whether the feature is on the ground or on a building. Elevated solar
 30 support structures include the aboveground superstructure and
 31 associated foundation elements that support the solar collectors or
 32 other solar energy devices described in subparagraph 2 a. above.

33
 34 ii. Any design feature whose primary purpose is to provide for the
 35 collection, storage, and distribution of solar energy for electricity
 36 generation, space heating or cooling, or for water heating.

37
 38 iii. Any photovoltaic device or technology that is integrated into a
 39 building, including, but not limited to, photovoltaic windows, siding,

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and roofing shingles or tiles

3. Authority, Approval and Reconsideration.

- a. **General Authority.** Subject to all requirements of the law and all Mutual governing documents, a Shareholder may only install a System on the portion of the building's roof directly above the Shareholder's dwelling unit. The System must only serve the Shareholder's domestic energy needs. No installation may begin until the Shareholder applies for and receives written approval for the installation and meets all conditions of the approval. Such approval may be granted by the Board of Directors and/or by the Board, on appeal.
- b. **Rule Conflicts.** The application must be processed and approved in the same manner as any other Mutual architectural request, except that if these rules conflict with any other Mutual architectural procedures, these rules will prevail.
- c. **Approval of Individuals Prohibited.** Applications shall not be approved by any individual Director. In the event an individual Director approves architectural plans and specifications, such approval must not be relied upon and shall not be deemed valid approval.
- d. **Reasonable Conditions of Approval Permitted.** The Board of Directors is authorized to impose any reasonable conditions of approving an architectural application, in writing, including, but not limited to, (1) requiring modifications of particular aspects of the Shareholder's architectural submission and/or (2) requiring the preparation, execution and recording, at the Shareholder's expense, of a covenant establishing maintenance, repair and replacement, indemnity, and other obligations binding current and future Shareholders owning the dwelling unit.
- e. **Approval Timing.** Applications are deemed approved within forty-five (45) days from the date of submission of a complete application unless (i) disapproved by the Board of Directors, (ii) additional information necessary to properly consider the application is requested by the Board of Directors within the forty-five (45) day period, or (iii) any proposed Renovations would violate the Mutual's governing documents, any Building, Safety and Fire Codes, or any other laws.

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f. Disapproval and Reconsideration

- i. Applications that are disapproved must be in writing and must explain why the proposed installation was disapproved.**
- ii. The Shareholder is permitted to seek reconsideration of a disapproved application, in writing, by the Board, unless (1) the original disapproval was made by the Board or a body that has the same membership as the Board at a meeting that satisfied the requirements of the Open Meeting Act or (2) as to any installation that were disallowed because they would violate the Mutual’s governing documents, any Building, Safety and Fire Codes, or any other laws. Reconsideration is not internal dispute resolution under Civil Code §5905.**
- iii. A permissible written request for reconsideration must be received by the Board not more than forty-five (45) days after the denial.**
- iv. Within forty-five (45) days after receipt of a permissible request for reconsideration, the Board must hold an open meeting to consider the reconsideration and decide the issue. Failure of the Board to decide within the forty-five (45) day period is deemed a decision in favor of the Shareholder**

4. Application Requirements.

- a. General Requirements. The applicant Shareholder must submit two (2) sets of construction plans and specifications, an engineering report, a solar site survey, Shareholder notifications, photographs, and specifications for the entire proposed System, including, without limitation, details regarding size, design, color, and materials listed on each set of plans, and the proposed location of the System and all component parts on the roof and exterior of the dwelling unit. All drawings must show elevations.**
- b. Engineering Report. The application must include a written report of findings by a California licensed structural engineer (at applicant’s sole expense) to certify that the structure of the building is sufficient to bear the weight of the System.**
- c. Notification and Solar Site Survey. When a Shareholder applies for**

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architectural approval to install a System on a multifamily common area roof shared by multiple homeowners in a building, the Shareholder must do all the following:

- i. Notify each Shareholder of a dwelling unit in the building on which the installation will be located of the application to install a System. Evidence of such notification shall be provided to the Mutual in the form of a notification sheet signed by a Shareholder of each dwelling unit.
- ii. Submit a solar site survey showing the placement of the System prepared by a licensed contractor or the contractor's registered salesperson knowledgeable in the installation of solar energy systems to determine usable solar roof area. The site survey must include a determination of an equitable allocation of the usable solar roof area among all Shareholders sharing the same roof. If the survey does not demonstrate that the applying Shareholder's equitable allocation of the common area roof is sufficiently large for the installation of the Shareholder's proposed System, the application will be denied.
- d. Survey Costs. Neither the survey nor the costs to determine usable space required by the previous subparagraph of this Section are deemed as part of the cost of the System as used in Civil Code section 714. (Civil Code §4746.)

5. Installation Requirements.

- a. Licensed and Insured Contractor. The System must be installed by an actively licensed, insured and bonded contractor bearing either a C-46 license, or if appropriate for the work to be performed a C-10 license, from the Contractor's State License Board. The installation process must conform in all respects to the requirements of the Mutual's governing documents, including these rules. The applicant Shareholder is responsible to ensure compliance by the contractor.
- b. Additional Insured. Before the installation begins the applicant must provide evidence to the satisfaction of the Mutual's Board of Directors that the Mutual has been named as an additional insured on the required insurance liability policy of the installing contractor.
- c. Contractor Insurance. All contractors installing, maintaining, repairing,

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159 removing, and/or replacing the solar system must carry commercial general
 160 liability insurance with policy limits of at least one million dollars
 161 (\$1,000,000.00) and such workers compensation insurance as is required by
 162 law. All such contractors shall also be bonded to the extent required by the
 163 California State Contractors Licensing Board. All such contractors shall
 164 present proof of all such insurance and/or bonding to the Mutual before the
 165 installation begins. The Board and/or Board of Directors has the right to
 166 review the contract of any such contractor to confirm compliance as a
 167 condition of approval of the installation.

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- 169 d. Permits. Before the installation begins, applicant must obtain (at applicant's
 170 expense) all necessary building or other permits as may be required by the
 171 State or local governments. A permit must also be obtained from Physical
 172 Properties department of Golden Rain Foundation.
- 173
- 174 e. Professional Fees. The Mutual is permitted to incur reasonable professional
 175 fees from an architect, engineer or contractor to review or confirm findings
 176 of plan submittals and reasonable legal fees to prepare the Covenant. The
 177 Shareholder applicant must reimburse the Mutual for such costs before
 178 construction is permitted to begin. If necessary, the Mutual is permitted to
 179 recover such costs from the Shareholder applicant by reimbursement
 180 assessment following proper notice and a hearing.
- 181
- 182 f. Construction Rules. Applicant must notify all contractors of the Mutual's
 183 Rules & Regulations, including, parking, construction hours and contractor
 184 rules and applicant is obligated to ensure contractor compliance with such
 185 rules.
- 186
- 187 g. Legal Standards. The System must meet all health and safety standards and
 188 requirements imposed by state and local permitting authorities, consistent
 189 with Section 65850.5 of the Government Code. The System must meet all
 190 applicable safety and performance standards of the California Electrical
 191 Code, the Institute of Electrical and Electronics Engineers, and accredited
 192 testing laboratories, such as Underwriters Laboratories. Where applicable,
 193 the System must comply with the rules of the Public Utilities Commission
 194 regarding safety and reliability.

- 195
- 196 6. Shareholder Obligations. During the period of record ownership of any
 197 Shareholder(s) of a dwelling unit receiving power, heat or any other benefit from a
 198 System, the following are all required:

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- 199 a. Ownership and Maintenance of System. The System will, at all times, be
 200 owned by and remain the property of the current record Shareholder(s) of the
 201 respective dwelling unit benefiting from the System. Each Shareholder(s) of
 202 record will be solely responsible for the maintenance, repair, replacement
 203 and/or removal of the System, during the period of their respective
 204 ownership, except that routine cleaning of the System must be performed by
 205 LW Service Maintenance, an LW approved vendor, or the contractor who
 206 installed the System each as shareholders expense.
- 207
- 208 b. Roof Inspections and Repair. At the sole expense of any Shareholder(s) of
 209 record, during their period of record ownership, the Mutual may require the
 210 System to be inspected and the Common Area roof water tested for leaks at
 211 any points where the system is attached to the roof. Any leaks discovered,
 212 and damage caused thereby, must be immediately repaired by a qualified
 213 licensed, insured and bonded contractor, at the expense of any
 214 Shareholder(s) of record, during their period of record ownership.
- 215
- 216 c. Architectural Approval. Any maintenance, repairs, removal or replacement of
 217 the System is subject to architectural approval of the Board of Directors
 218 and/or the Board of Directors on all terms and conditions provided herein. In
 219 the case of any emergency maintenance or repairs on the System,
 220 Shareholder(s) of record shall provide advanced written notification to the
 221 Mutual through its manager.
- 222
- 223 d. Liability for Damage from System. Shareholder(s) of record are solely
 224 responsible to install, remove, repair, maintain, and replace the System must
 225 bear all costs therefor. Shareholder(s) of record are also liable for all costs of
 226 maintenance, repair, and replacement of any portion of the building damaged
 227 or affected by the installation, removal, repair, maintenance, replacement
 228 and/or use of the System. This includes, without limitation, (1) damage to the
 229 roof, framing/structural components, roof covering, shingles, eaves, gutters,
 230 and any other part of the building that may be penetrated or otherwise
 231 affected by any activity or use involving the System, (2) damage from water
 232 leaks and/or resulting mold that develops due to those leaks, (3) damage from
 233 any fires and/or (4) any other property damage or personal injury caused by
 234 and/or resulting from such installation, removal, repair, maintenance,
 235 replacement and/or use of the System.

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238 e. Indemnification and Defense. If the installation, maintenance, repair,
 239 replacement, removal, and/or use of the System results in any damage to the
 240 roof, any dwelling unit, or any other building structure, the Shareholder(s) of
 241 record of the dwelling unit, during his/her/their period of record ownership
 242 must indemnify, reimburse, defend and hold harmless the Mutual, and its
 243 directors, officers, committee members, agents, assigns and insurers, and/or
 244 any other Shareholder of the Mutual, from any claims, legal actions, costs,
 245 expenses, or any other losses arising or resulting from such roof, dwelling
 246 unit, or other building structure damage, including, but not limited to, those
 247 involving real property damage, damage resulting from moisture intrusion,
 248 structural repairs, drywall repair, mold remediation, damage to the common
 249 area or any dwelling unit (as defined in the law and CC&Rs), damage to any
 250 personal property of the Mutual, and/or any Shareholder of the Mutual, and
 251 any personal injuries.

252 f. Mutual Easement Rights to Roofs. The Mutual is hereby granted full easement
 253 rights beneath, over and around the System for the purposes of conducting
 254 any maintenance, repairs and replacement of the roof, roofing components,
 255 and/or any other portions of the building structure as required by the Mutual's
 256 CC&Rs and/or the law. In the event that such maintenance, repairs and
 257 replacement cannot be undertaken or completed with the System in place,
 258 the Shareholder(s) of record of the dwelling unit, during their period of record
 259 ownership, at his/her/their sole expense, will remove, or cause to be removed,
 260 the entire System, or any portion thereof necessary, to allow the Mutual to
 261 conduct such maintenance, repairs and replacement. The System may
 262 thereafter be replaced by the Shareholder(s) of record, during his/her/their
 263 period of record ownership, at his/her/their sole expense. All such removal
 264 and/or replacement of the System as provided for in this paragraph shall be
 265 subject to and comply with all other conditions of these rules

266 7. Architectural Requirements. To the extent they do not collectively increase the cost
 267 of the originally proposed System by more than one thousand dollars (\$1,000), a
 268 System must meet the following conditions:

269 a. Inverter Locations. All inverters must be installed where recommended by
 270 Mutual Five and the licensed contractor of the dwelling unit.

271 b. Concealed Cables. All cables, conduit and wiring which are part of the
 272 System shall be concealed as much as possible and approved by Mutual Five
 273 and the Physical Properties Department.

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Physical Property

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c. Solar Panel Colors. Permissible colors for solar panels and all hardware, bracket, trim and other components visible to the Common Area are black.

d. Low Mounting. Solar panels must be mounted using hardware that secures them as close to the roof as possible.

8. Other Requirements.

a. Approval Disputes. For any legal dispute, legal proceeding, or other claim by a Shareholder or resident of the Mutual, arising from the approval of a Shareholder’s installation of the System, the applicant Shareholder and/or the record Shareholder at the time of the dispute must take all reasonable measures to resolve the dispute informally. If that cannot be done, the Shareholder must indemnify, defend, and otherwise hold the Mutual, and its directors, officers, committee Shareholders, agents, assigns and insurers, harmless for such claims, losses and/or damages.

b. Homeowner’s Insurance. The Shareholder of record and each successive Shareholder of record must maintain a homeowner liability insurance coverage policy at all times and provide the Mutual with the corresponding certificate of insurance within 14 days of approval of the application and annually thereafter.

c. Disclosure. The Shareholder of record and each successive Shareholder of record must disclose to prospective buyers the existence of the Shareholder’s System and the related responsibilities of the Shareholder under Civil Code §4746 and these rules.

d. Maintenance and Indemnity Agreement. As a condition of the Mutual’s approval to install a System, and before any construction begins, an applicant must execute a Maintenance and Indemnity Agreement Regarding a Solar Energy System (“Agreement”), in a form to be provided by the Mutual. The Agreement will be binding on all subsequent owners and run with the land. Each Shareholder who purchases a dwelling unit for which a solar energy system was approved must agree to and be bound by the Agreement applicable to the dwelling unit they purchased and sign an addendum acknowledging their agreement or must immediately remove System. The Agreement will incorporate all conditions of any architectural approval and all of the requirements and obligations set forth in this policy that apply to

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SEAL BEACH MUTUAL NUMBER FIVE

Physical Property

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the current and future owners

Document History

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Keywords: Solar Panel Installation

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MUTUAL OPERATIONS**PHYSICAL PROPERTY****Solar Panel Installation****MUTUAL OPERATIONS****Resident Regulations****Solar Panel Installation — Mutual Five**

~~California Civil Code section 714, Civil Code section 714.1, Civil Code section 4600, and most importantly, Civil Code section 4746, concern solar panel energy system rooftop installations.~~

~~All the Civil Codes noted above taken together, allow that the shareholder has the right to install a rooftop solar energy system “on the roof of the building in which the shareholder resides.” Under Civil Code section 714.1(b)(1).~~

~~Therefore, the Shareholder is allowed to have the exclusive use of that portion of the common area roof above their unit without the 67% approval required in Civil Code section 4600.~~

~~Architectural Solar panel installation rules, pursuant to Civil Code section 4746.~~

~~Any Shareholder applying for architectural approval:~~

- ~~1) Must notify each shareholder in his/her building of his/her proposed rooftop installation.~~
- ~~2) Such Shareholder and each successor shareholder must maintain liability coverage, (\$100,000 liability insurance.) providing the Mutual with the certificate of insurance within 14 days of approval and annually thereafter.~~
- ~~3) Installation and removal of any product that penetrates the common area roof, such as solar system support jacks, shall be performed by the roofing contractor that holds the guarantee, at the shareholders expense and requires a Permit from Physical Properties.~~
- ~~4) Installation, repairs and removal of the solar system itself, (not the jack) may be done by the solar system contractor, at the shareholder’s expense.~~
- ~~5) Cleaning of the solar system must be done by LW Service Maintenance, a LW approved Handyman or the solar system contractor, at the shareholder’s expense.~~
- ~~6) The shareholder and any successor shall be responsible for any damage to the common area roof from: a. the installation, b. repairs, c. cleaning and/or d. removal of the solar panels.~~

MUTUAL OPERATIONS**PHYSICAL PROPERTY****Solar Panel Installation**

- ~~7) The shareholder and any successor are responsible for maintenance and replacement of the panels. Replacement of the solar system itself (not the jack) requires a Permit from Physical Property.~~
- ~~8) The shareholder and any successor must restore the common area roof after panel removal. This requires a Permit from Physical Property. Any work that penetrates the roof must be done by the contractor company that holds the warrantee for that roof.~~
- ~~9) The shareholder and any successor must disclose the solar panel installation to prospective buyers and all related obligations as set forth above.~~

~~**MUTUAL**~~ ~~**ADOPTION**~~ ~~**AMENDMENTS**~~
~~FIVE~~ ~~May 19~~