

PLEASE DO NOT DROP INTO THE MAIL SLOTS

**MINUTES OF THE REGULAR MONTHLY MEETING OF THE
BOARD OF DIRECTORS
SEAL BEACH MUTUAL FIVE
APRIL 17, 2024**

The Regular Monthly Meeting of the Board of Directors of Seal Beach Mutual Five was called to order by President DeRungs on Wednesday, April 17, 2024, 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, Director Powell, Chief Financial Officer Cude, Director Shannon, and Director Gould

Absent: Secretary Lee

GRF Representative: Mr. Thompson

Guests: Two Mutual Five Shareholders (**in-person**)
One Mutual Five Shareholders (**via zoom**)

Staff: Ms. Equite, Portfolio Specialist

SHAREHOLDER COMMENTS

No shareholders made a comment.

MINUTES

The Regular Meeting Minutes of March 20, 2024, were approved by general consent of the board to stand as written.

GRF REPRESENTATIVE'S REPORT

GRF Representative, Mr. Thompson, provided updates on GRF projects

Mr. Thompson left the meeting at 9:08 a.m. (**via telephone call**)

BUILDING INSPECTOR'S REPORT

Building Inspector Perez submitted his report (attached).

Following a discussion and upon a MOTION duly made by Director Gould and seconded by Director Shannon, it was

RESOLVED to approve the patio proposal for Unit 05-101-L, option one, work to be done at the shareholder's expense.

The MOTION passed unanimously.

Following a discussion and upon a MOTION duly made by Director Gould and seconded by Director Shannon, it was

RESOLVED to approve the patio proposal for Unit 05-069-G, work to be done at the shareholder's expense.

The MOTION passed unanimously.

UNFINISHED BUSINESS

No unfinished business.

CHIEF FINANCIAL OFFICER'S REPORT

Chief Financial Officer Cude presented his report (attached).

NEW BUSINESS

Following a discussion and upon a MOTION duly made by Director Gould and seconded by Director Shannon, 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 March 2024.

The MOTION passed unanimously.

Following a discussion and upon a MOTION duly made by Director Gould and seconded by Director Shannon, it was

RESOLVED to ratify the proposed policy change by amending Policy 7465.05 – Skylight and/or Sola Tubes; the 28-day posting requirement has been met.

The MOTION passed with five "yes" votes (DeRungs, Murphy, Shannon, Powell, Gould) and one "no" vote (Cude).

Following a discussion and upon a MOTION duly made by Director Gould and seconded by Director Shannon, it was

RESOLVED to approve canceling the June 19, 2024, monthly board meeting due to 2024 Annual Shareholder and Election Meeting.

The MOTION passed unanimously.

Following a discussion and upon a MOTION duly made by Director Gould and seconded by Director Shannon, it was

RESOLVED to approve the purchase of six CD('s) through U.S. Bancorp in the total amount of \$600,000.00. Funds to come from U.S. Bank Money Market Account Restricted Reserves, for a term not to exceed twelve months at the prevailing interest rate.

The MOTION passed unanimously.

Following a discussion and upon a MOTION duly made by Director Gould and seconded by Director Shannon, it was

RESOLVED to propose a rule change by amending rule 05-7502-1 – Carport Parking Rule and approve 28-day posting of notice of the proposed rule change. The proposed rule change will be considered by the board at the next scheduled meeting following review of any shareholder comments received.

The MOTION passed unanimously.

SECRETARY / CORRESPONDENCE

No correspondence received.

PRESIDENT'S REPORT

President DeRungs provided an update.

PORTFOLIO SPECIALIST'S REPORT

Portfolio Specialist Equite presented her report (attached).

ANNOUNCEMENTS

- a. **NEXT BOARD MEETING:** Wednesday, May 15, 2024, at 9:00 a.m. via Zoom/Video Conference Call and Conference Room B.
- b. **ANNUAL SHAREHOLDER & ELECTION MEETING:** Tuesday, June 11, 2024, at 10:00 a.m., Clubhouse 4 and Zoom Video/Conference call

COMMITTEE REPORTS

Finance

No report.

Landscape

Director Gould provided an update.

Physical Property

Director Gould provided an update.

Laundry Rooms/Emergency Information

No report.

DIRECTORS' COMMENTS

Several Directors made comments.

ADJOURNMENT

President DeRungs adjourned the meeting at 10:37 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, April 17, 2024, at 10:58 a.m., and took the following actions:

The board approved the Regular Executive Session Minutes of March 20, 2024.

1. Legal Matters
 - a. Several legal matters were discussed.
2. Contracts
 - a. Several 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 hearing occurred.

The Executive Session was adjourned at 12:00 p.m.

Attest, Eun Jun Lee, Secretary
SEAL BEACH MUTUAL FIVE
DE 4/17/24
Attachments

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: **(05) FIVE** INSPECTOR: **Anthony Perez**

MUTUAL BOARD MEETING DATE: **March, 20 2024**

PERMIT ACTIVITY

UNIT #	DESCRIPTION OF WORK	GRF/CITY PERMIT	PERMIT ISSUE	COMP. DATE	Improvement Values	RECENT INSPECTION	CONTRACTOR
69-B	CARPORT STORAGE	GRF	03/07/24	03/29/24	\$600		GODMAN CONSTRUCTION
69-B	WASHER AND DRYER	BOTH	01/02/24	03/08/24	\$32,795	FINAL 03/25/24	GODMAN CONSTRUCTION
69-G	SLIDING GLASS DOOR	BOTH	03/11/24	04/30/24	\$9,595		KONRAD CONSTRUCTION
69-K	HEAT PUMP	BOTH	01/29/24	04/19/24	\$5,525		GREENWOOD
69-L	PLUMBING VENTS/DOOR	BOTH	03/22/24	05/31/24	\$9,890	ROUGH PLU/ELEC 03/27/24	BRUNO
71-H	SCREEN ROOM	GRF	03/11/24	04/30/24	\$8,353		JOHN BERGKVIST
90-B	ELECTRICAL PANEL	BOTH	01/02/24	02/29/24	\$1,700	FINAL 03/15/24	MP CONSTRUCTION
91-E	FLOORING REPAIR	GRF	03/21/24	04/22/24	\$400	FINAL 04/02/24	A&E FLOORING
93-J	EASY ACCESS TUB	BOTH	05/13/24	06/13/24	\$3,512		NUKOTE
93-L	HEAT PUMP	BOTH	10/10/23	12/10/23	\$9,200		ALPINE
94-F	REMODEL	BOTH	04/15/24	08/30/24			
95-A	GATE W/ RAILS	GRF	03/11/24	05/30/24	\$5,000		MP CONSTRUCTION
95-K	WASHER AND DRYER	BOTH	08/07/23	10/30/23	\$6,800		BA CONSTRUCTION
97-G	UNIT REMODEL	BOTH	06/19/23	11/15/23	\$140,400	DRYWALL 08/28/23	JC KRESS
98-C	UNIT REMODEL	BOTH	06/10/23	11/30/23	\$104,000		MP CONSTRUCTION
100-A	KITCHEN REMODEL	BOTH	06/10/23	04/30/23	\$35,500	PLUMB, FRAM, ELEC, 03/27	BA CONSTRUCTINO
101-C	WASHER AND DRYER	BOTH	08/28/23	10/29/23	\$27,730	ELECTRICAL 10/04/23	MARCO CONSTR TUCTION
103-H	WASHER AND DRYER	BOTH	01/10/24	04/30/24	\$39,555		LOS AL BUILDERS
104-K	ELECTRICAL PANEL	BOTH	01/02/24	02/29/24	\$1,750	FINAL 03/18/24	MP CONSTRUCTION
106-G	SKYLIGHT/DOOR BELL	BOTH	04/15/24	05/31/24	\$5,114		BERGKVIST
107-B	CARPORT CABINET	GRF	03/30/24	04/30/24	\$950		VICKERS CONSTRUCTION
107-I	HEAT PUMP	BOTH	09/28/23	12/28/23			GREENWOOD
112-C	BED DOOR/CARPORT STO.	BOTH	01/01/24	06/15/24	\$4,923	FINAL 03/15/24	CONSTRUCTION LOGIC
117-J	CARPORT CABINET	GRF	03/29/24	04/30/24	\$950		VICKERS CONSTRUCTION
117-L	HAND RAIL	GRF	10/03/23	11/03/23	\$1,900		GRECO
118-K	LOWER STORAGE CABINET	GRF	09/25/23	10/25/23	\$950		VICKERS CONSTRUCTION
120-E	WASHER /DRYER/PANEL	BOTH	03/24/24	09/01/24	\$9,900		VICKERS CONSTRUCTION
120-E	LOWER STORAGE CABINET	GRF	01/03/24	02/03/24	\$975		VICKERS CONSTRUCTION
121-K	WINDOWS AND DOORS	BOTH	08/01/23	09/20/23	\$11,000	WAITING ON CONTRACTOR	BROTHERS GLASS
122-A	UNIT REMODEL	BOTH	08/07/23	12/03/23	\$70,000	FINAL 03/18/24	NATIONWIDE
122-C	EASY ACCESS TUB	BOTH	05/15/24	06/15/24	\$3,512		NUKOTE
122-E	FRAMING/SCREEN	GRF	04/22/24	05/31/24	\$3,899		BERGKVIST
122-L	RETRO WINDOWS/DOOR	BOTH	03/01/24	03/10/24	\$8,985	FINAL 03/15/24	OGAN
122-L	HEAT PUMP	BOTH	08/28/23	11/28/23	\$4,925		M&M SKYLIGHTS
122-L	PATIO	BOTH	02/19/24	03/19/24	\$24,590		OGAN
123-J	FLOORING	GRF	03/10/24	04/30/24	\$5,450	FINAL 03/29/24	KARYS CARPET
125-F	ADDING BATH	BOTH	02/05/24	04/30/24	\$21,800	ROUGH FRAME/ELE 4/8/24	KANG'S CONSTRUCTION
125-F	UNIT ABATEMENT	GRF	02/22/24	02/23/24	\$3,200		UNIVERSAL ABATEMENT
126-G	WASHER AND DRYER	BOTH	01/03/24	02/12/24	\$11,850		HADI

ESCROW ACTIVITY

Unit #	NMI	PLI	NBO	FI	FCOEI	ROF	ACTIVE, CLOSING, CLOSED
							19 3 3
69-G		10/19/23	12/04/23	12/19/23	01/04/24		
69-L		04/17/23	02/22/24	02/22/24	03/07/24	04/03/24	
91-J		06/23/23					
94-F		11/21/23	12/07/23	12/07/23	12/21/23		
94-H		06/23/23					
100-I		04/03/24					
101-B		06/21/22					

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: (05) FIVE		INSPECTOR: Anthony Perez					
MUTUAL BOARD MEETING DATE:		March, 20 2024					
102-L		12/06/23					
104-F		12/06/23	01/24/24	01/30/24	02/12/24	03/29/24	
104-K		01/03/24	03/11/24				
114-I		03/06/24					
115-K		02/06/24	02/06/24	02/15/24	03/01/24	03/15/24	
116-A		03/11/24					
119-A		04/04/24					
121-H		04/04/24					
121-K		04/03/24					
121-L		03/13/24					
123-J		03/27/24					
126-K		03/06/24	03/29/24	03/29/24			

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 2026	Pest and rodent control services New contract is being drafted
FENN PEST CONTROL	JULY, 2026	Bait stations
ROOFING STANDARDS	May, 2024	Buildings 96, 97, 107, 112, 123, 125, 72, 92, 117
Dr. Pest	March 21st 2024 - March 20 2025	Monthly bait stations contract 82 Bait stations
MP CONSTRUCTION		Electrical replacement proposal

SPECIAL PROJECTS

Contractor	Discription of Work
101-L	Patio permit
69-G	Patio permit

SHAREHOLDER AND MUTUAL REQUEST

125-F	Sewer concern	3/14/2024
116-A	Diffuser	3/14/2024
105-K	Roof leak	03/19/24
98-J	Exhaust fan	3/19/2024
94-E	Patio roof leak	3/19/2024
Laundry room #91	Backup	3/21/2024
70-B	Bathtub	3/28/2024

Line No. **March Highlights:** [Please refer to the Monthly Financial Report Package(MFRP) for more details]

- 1 **March Financials show M-5 is in an overall favorable financial position (under budget) with excess expenses of \$2,094.89 for the month and excess income of \$15,512.77 Year-to-Date (5th page of the **MFRP**).**
- 2 **The two major expenses over-budget In March are Electricity and P/L Insurance with Insurance (\$31,873) over-budget. It is expected that the Insurance over-budget variance will be \$56,598 by the end of the year. The reason is because GRF under estimated Insurance cost for the year because premiums increased 28% over last year. The Mutual is monitoring all expenses and income and anticipates that a special assessment will not be necessary by the end of the year.**
- 3 **Investment Portfolio: please see the last page of the **MFRP**. Most of the available cash is in money-market accounts with an interest rate of **1.0022% to 1.24427%**). Investments of \$600,000 is in CD's with interest rates ranging from 4.40% to 5.5%. **The Mutual now has \$600,000 of idle reserve funds earning high interest for the Mutual; and, looking forward to the future when the Roofing Program is completed and the annual reserve contributions will grow and can be invested during the remainder of the 30-year life of the new roofs.****

ENDING BALANCE BANK ACCOUNTS

4	RESTRICTED RESERVES MM Account (acct ending...9690)	1,626,572.04	
5	OTHER RESERVES MM Account (acct ending...3364)	89,897.43	
6	CHECKING ACCOUNT (acct ending...3181) <small>adjusted for outstanding checks</small>	633,368.49	96,868.49
7	IMPOUND ACCOUNT (acct ending...3165)	449.04	
8	REPAIR AND TAX DEPOSIT FUND (acct ending...5738)	84,963.91	
9	M5 INVESTMENTS (US Bancorp Investments)	600,000.00	
		3,035,250.91	

ENDING BALANCE OF RESERVES

Types	Ending Balance	S/H Contribution		Page of MFRP
		Monthly	per unit	
10 ROOFING	1,489,152.05	49,131.00	99.86	6th
11 APPLIANCES** (2024 in Operating Budget)	-	-	-	6th ** Consolidated
12 PAINTING	339,044.29	4,166.67	8.47	6th With Roofing
13 INFRASTRUCTURE	447,297.77	15,952.33	32.42	6th
14 CONTINENCY OPERATING FUNDS**	-	-	-	6th
15 EMERGENCY RESERVES**	-	-	-	6th
16 GENERAL INVESTMENTS		-	-	6th
	2,275,494.11	69,250.00	140.75	

INCOME AND EXPENSES

From Monthly Financial Statement	March Actual	March Budget	March Variance	2024 YTD Actual	2024 YTD Budget	Page of MFRP
17 MUTUAL TOTAL INCOME	252,780	248,126	4,655	755,615	744,377	4th
18 CONTRIBUTION TO RESERVES	69,250	69,250		207,750	207,750	4th
19 OPERATING EXPENSES *	80,706	66,302	(14,404)	217,595	221,870	4th & 5th
20 EXCESS INCOME over(under) EXPENSES	(2,095)			15,513		5th & Pg 4

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

CONCRETE PROJECTS - (Jurado or SM or JJ) 2023

March 31, 2024

Line #	Date of Work	Location	2023 Project Cost	Date of Payments	Remarks
20					
21	Sept 2022	Concrete Walks: Bldg. 100F *	7,737.00	9/14/22	No projects in 2024 yet.
22	April 2023	Concrete Walks: 70F Phase 1 *	15,045.00	6-1-23; 9-7-23	
23	7/1/2023	Concrete Walks: 70/71 Phase 2 *	40,754.00	12/14/23	
24	Nov. 2023	Concrete Walks: 102F/110G8 *	29,625.70	2/29/24	
25	Dec. 2023	Concrete Walks: Bldg. 71 *	6,814.50	1/25/24	
26	* Infrastructure Reserves for Concrete				
27	Walks/Drains for 2023	Total to Date:	99,976.20	2023 Budget: \$100,000	

28

29 **Shareholder Receivables:** \$39,237 (9 accounts owe greater than \$1,000, 2 Estate accounts to be
30 paid upon sale or transfer, 2 accounts are being closely monitored)

31	Fees Collected	Current Mo.	Mthly. Budget	Year-to-Date		Variance	Annual Budget
				Actual	Budget		
32	Inspection Fees	3,600	3,167	9,600	9,500	100	38,000
33	Buyer Prem.	2,250	1,667	6,000	5,000	1,000	20,000
34	Laundry Rev.	887	900	2,789	2,700	89	10,800

Please Use Water Wisely!

The More WATER We Save, The More MONEY We Save!

ROOFING PROJECTS 2023 Budget Year (Construction starts in June 2024 | Finish: Near Year-End 2024)

35	Building No. and Type	Roof Type	Roof Area (SQ)	Cost (\$) per SQ	Contract Cost (\$)
35	72 1 & 2 Bedrooms	High Slope	127	617	78,359
36	92 2 Bedrooms	High Slope	153	617	96,571
37	96 2 Bedrooms	Low Slope	153	1,008	154,224
38	97 2 Bedrooms Laundry Room	High Slope	163	617	100,571
39	107 2 Bedrooms Laundry Room	High Slope	163	617	100,571
40	112 2 Bedrooms Laundry Room	High Slope	163	617	100,571
41	117 2 Bedrooms Laundry Room	High Slope	163	617	100,571
42	123 1 & 2 Bedrooms Laundry Room	Low Pitch	127	1,008	128,016
43	125 1 & 2 Bedrooms	Low Pitch	123	1,008	123,984
44	TOTAL				983,438

\$9,106 Avg Cost/Apt

ROOFING PROJECTS 2022 Budget Year (Start date: 9-13-22 Finish 4-7-23)

45	Building No. and Type	Roof Type	Roof SQ	Cost (\$) per SQ	Contract Cost (\$)
45	113 2 Bedrooms (4) Completed	Low Slope	153	941	143,973
46	120 1 and 2 Bedrooms (5) Completed	Low Slope	123	941	115,743
47	100 2 Bedrooms (3) Completed	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				691,635

Avg Cost/Apt = \$11,527

SUMMARY FOR REFERENCE—2023 OPERATING BUDGET

Line #

March 31, 2024

- 51 **EXPECTED MONTHLY M5 HOA Income: \$136,023.24** (\$276.47/month X 492 UNITS)
- 52 **M5 HOA Fees per month per unit: \$276.47 [56.5%]** (increase of \$8.06) for year 2024
- 53 **GRF HOA Fees per month per unit: \$213.25 [43.5%]** (increase of \$20.20) for year 2024

2024 OPERATING BUDGET

	Monthly-Average \$ per Unit	Yearly-Total \$ for 492 Units	Total \$ Change From 2023 to 2024
54 OPERATING EXPENSES	134.76	795,622	56,677
55 OPERATING INCOME	14.97	88,382	(4,133)
56 NET OPERATING COST	119.79	707,240	60,810
57 RESERVE FUNDING	148.62	877,461	114,764
58 Total Operating-Reserve	268.41	1,584,701	175,574

2024 RESERVE FUNDING DISTRIBUTION

Project	Monthly-Average \$ per Unit	Yearly-Total \$ for 492 Units	Total Dollar Change
			Per Unit per Month
			From 2023 to 2024
59 APPLIANCE			
60 PAINTING	8.47	50,000	7.07
61 ROOFING	99.86	589,572	2.91
62 INFRASTRUCTURE	32.42	191,428	(9.06)
63 TOTAL	140.75	831,000	18.16

*See Appendix B of M5 Budget

2024 LANDSCAPING BUDGET

32.76761518

	Monthly-Average \$ per Unit	Yearly-Total \$ for 492 Units	Total \$ Change From 2023 to 2024
64 LANDSCAPE-CONTRACT	32.77	193,460	8,429
65 LANDSCAPE-EXTRAS	3.05	18,000	(7)
66 LANDSCAPE-TREES	2.88	17,000	1,000
67 TOTAL	38.70	228,460	9,422

2024 SERVICE REQUEST ORDERS (SRO) BUDGET

	Average Monthly per Unit	Yearly Total for 492 Units	Total Dollar Change From 2023 to 2024
68 STANDARD SERVICE	\$15.24	\$90,000	(\$23,003)

Executive Summary Table Report # 21575-12
No-Site-Visit

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
Painting Projects				
2300	(2024) Stucco - Repaint	10	0	\$220,000
2300	(2025) Stucco - Repaint	10	1	\$320,000
2310	Wood Surfaces - Annual Repaint	1	0	\$30,000
2330	Interior Surfaces - Repaint	6	0	\$6,800
2350	Light Poles/Fixtures - Repaint	5	0	\$12,000
Infrastructure				
2100	(2024-2030) Concrete Walkway/Drains	1	0	\$100,000
2520	Wood Surfaces - Annual Repair	1	0	\$70,000
2640	Laundry Doors - Replace	20	0	\$5,850
2725	Building Signage	20	4	\$17,000
2732	Attic Screens - Replace	25	24	\$16,400
4596	Sewer Project (2024-2033) - Re-line	1	0	\$100,000
4650	(2030) Solar Systems -Replace	15	6	\$150,000
4652	(2030) Solar Panel Cabinets - Repl	15	6	\$13,000
5010	Walkway Pole Lights - Replace	1	0	\$12,000
6900	Irrigation Controllers - Replace	12	1	\$15,000
6962	Meter Cabinets - Replace	30	22	\$68,000
6970	Electrical Panels - Replace	1	0	\$22,000
Roofing Projects				
2450	(2024) Comp Shingle Roof - Replace	30	0	\$797,000
2450	(2025) Comp Shingle Roof - Replace	30	1	\$645,000
2450	(2026) Comp Shingle Roof - Replace	30	2	\$280,000
2450	(2047) Comp Shingle Roof - Replace	30	23	\$800,000
2450	(2048) Comp Shingle Roof - Replace	30	24	\$380,000
2450	(2049) Comp Shingle Roof - Replace	30	25	\$370,000
2450	(2050) Comp Shingle Roof - Replace	30	26	\$620,000
2450	(2052) Comp Shingle Roof - Replace	30	28	\$750,000
2450	(2053) Comp Shingle Roof - Replace	30	29	\$760,000
2451	(2027) Carport Flat Roofs - Replace	17	3	\$430,000
2480	Gutter System - Replace	5	0	\$5,100

28 Total Funded Components

Note 1: Yellow highlighted line items are expected to require attention in this initial year.

Portfolio Specialist Report

APRIL 2024

- Your vote will elect those responsible for fulfilling a fiduciary responsibility of upholding the rules and regulations of the community.
- Ballots will be mailed out soon, please get out and vote for your mutual directors!



SEAL BEACH MUTUAL NO. FIVE**MUTUAL OPERATIONS****PHYSICAL PROPERTY****Skylights and/or Sola Tubes – Mutual Five****Permit**

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

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

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

Location and Size:

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

SEAL BEACH MUTUAL NO. FIVE**MUTUAL OPERATIONS****PHYSICAL PROPERTY****Skylights and/or Sola Tubes – Mutual Five****Number:**

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

SOLA TUBES**Responsibilities:**

9. Whereas Article 11 of the occupancy agreement states that pertaining to the maintenance of the roofs (a) (3) "The member agrees to repair and maintain his dwelling unit at his own expense as follows: any repairs or maintenance of floors and ceiling of the dwelling unit."

10. Skylights and Sola tubes must be installed using the manufacturers specifications and conform to all applicable building codes.

11. During the warranty period, the contractor is responsible for the entire Skylight and Sola tube installation. In the event of a failure by the contractor to make necessary repairs the shareholder is responsible. After the warranty period, the following shareholder responsibilities apply:

a. ~~Mutual: The Mutual is responsible for the curbing and flashing since this will normally be changed when the building is reroofed.~~

b. ~~Shareholder: The shareholder is responsible for the skylight dome, the skylight operating mechanism, the shaft (including painting), and the ceiling grid (See Diagram 1).~~

c. ~~Shareholder is responsible for the Sola tube dome and shaft.~~

d. ~~In the event of a roof leak as a result of the Skylight or Sola tube installation, the shareholder shall be responsible for all associated costs to repair and maintain the system, including labor and material costs.~~

a. After the warranty period, the entire skylight or Sola tube maintenance is the shareholder's responsibility. This includes, but is not limited to the curb, flashings, dome, operating mechanism, shaft, including painting, and ceiling grid.

b. Any skylights or Sola tubes that cause any roof leaks must be repaired immediately at shareholder's expense.

(Sept 18)

SEAL BEACH MUTUAL NO. FIVE

MUTUAL OPERATIONS

05-7465-1

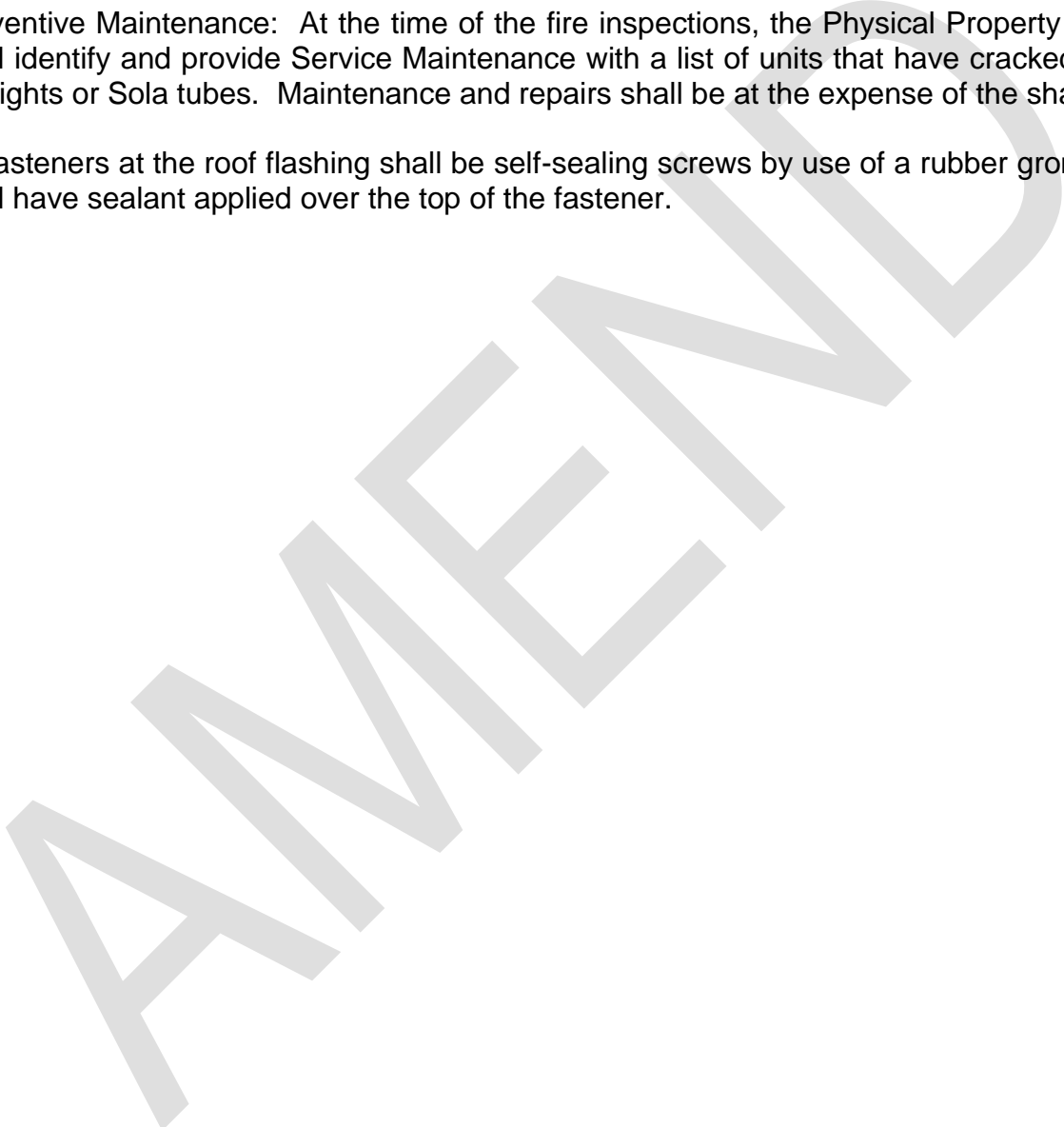
PHYSICAL PROPERTY

Skylights and/or Sola Tubes – Mutual Five

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c. Shareholder's will also be responsible for the cost of plastic and sand bags on the roof if related to the leaking skylight or Sola tube.

12. Preventive Maintenance: At the time of the fire inspections, the Physical Property Inspector shall identify and provide Service Maintenance with a list of units that have cracked or faulty Skylights or Sola tubes. Maintenance and repairs shall be at the expense of the shareholder.
13. All fasteners at the roof flashing shall be self-sealing screws by use of a rubber grommet and shall have sealant applied over the top of the fastener.



SEAL BEACH MUTUAL NO. FIVE

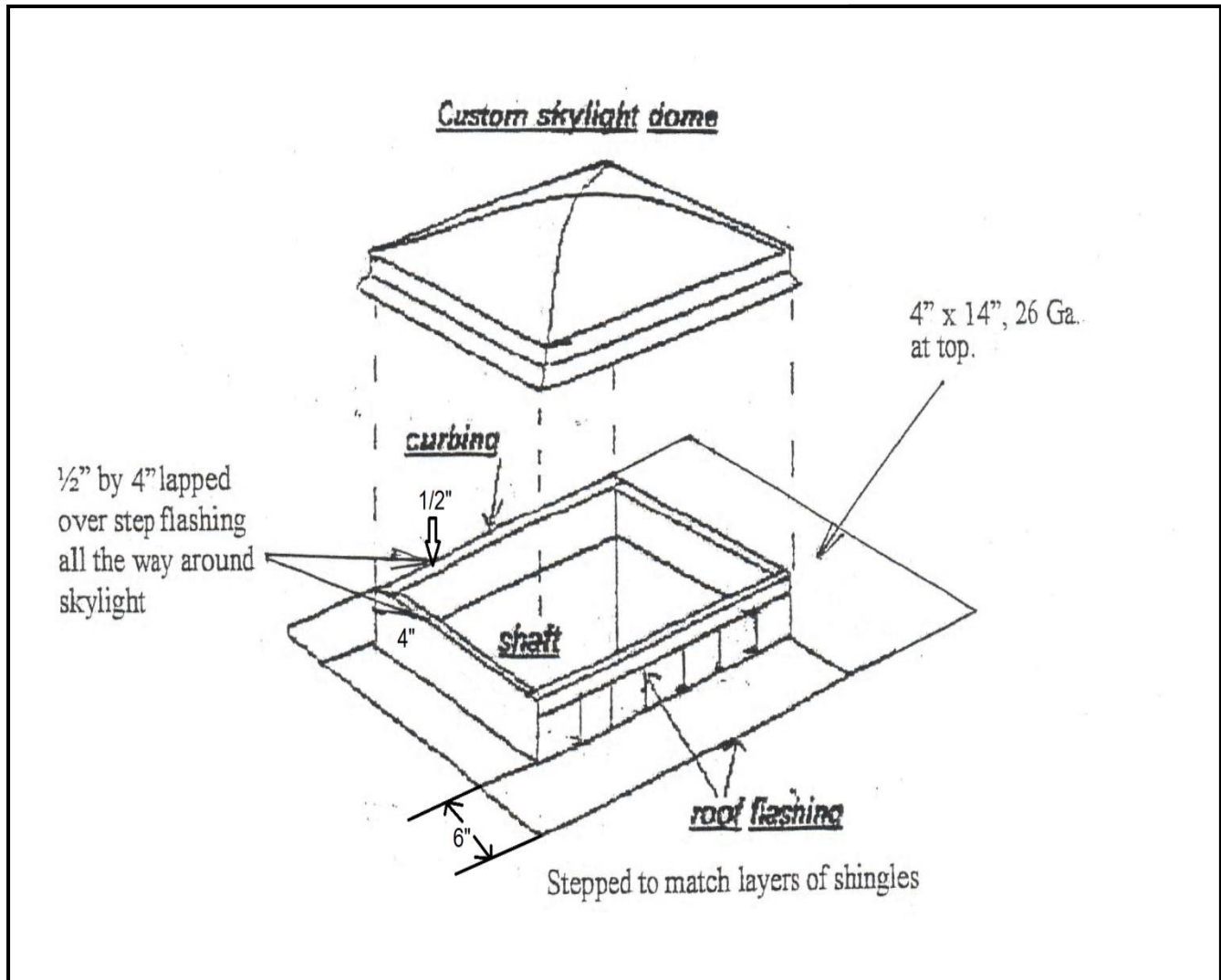
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MUTUAL OPERATIONS

PHYSICAL PROPERTY

Skylights and/or Sola Tubes – Mutual Five

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



SEAL BEACH MUTUAL NO. FIVE

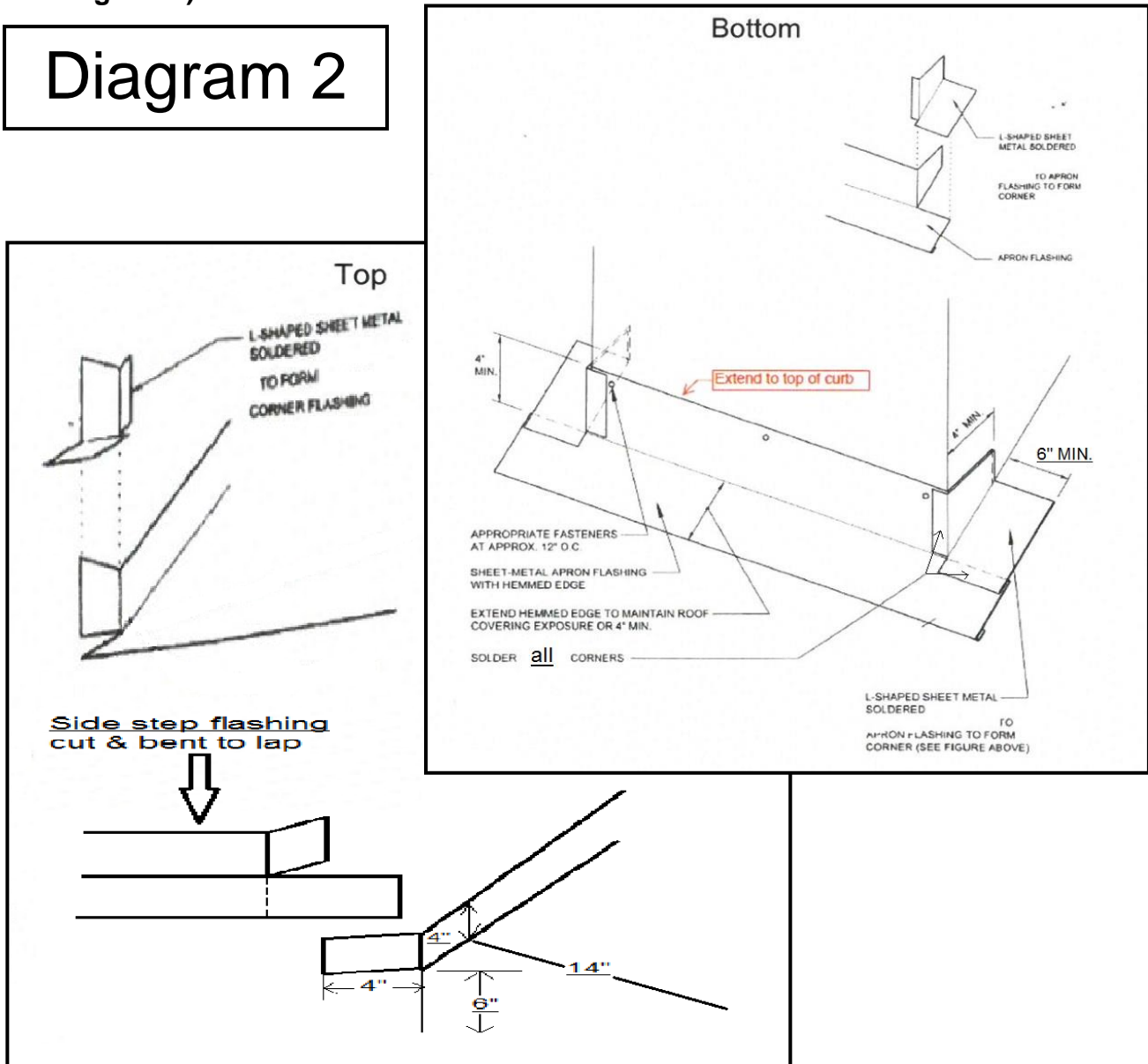
MUTUAL OPERATIONS

PHYSICAL PROPERTY

Skylights and/or Sola Tubes – Mutual Five

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

Diagram 2



MUTUAL ADOPTION

AMENDMENT(S)

FIVE: 03-15-17

09-19-18

(Sept 18)

SEAL BEACH MUTUAL NUMBER FIVE

SHAREHOLDER REGULATIONS

Resident Regulations

AMEND

Carport Regulations

1. CARPORT ASSIGNMENT

- 1.1. Each Mutual 5 residential unit is assigned one carport space. The authorized shareholder or renter/lessee gains authorization to park one vehicle in an assigned carport space.
- 1.2. The use of the carport space is restricted to the authorized resident to which the unit is assigned. A shareholder who enters into a lease agreement for occupancy of their residential unit must remove all their vehicles, whether located in a carport or on street parking, from Leisure World Seal Beach before the renter/lessee’s occupancy of the residential unit will be approved.
- 1.3. Upon the expiration of the right of occupancy of a Mutual 5 unit by either a shareholder or renter/lessee, the Mutual 5 Board of Directors can authorize the immediate towing of any vehicles registered by GRF to the vacating resident. The cost of towing is the responsibility of the shareholder who holds the deed right to the carport.

2. CARPORT USAGE

- 2.1. Carports are to be used for parking of self-propelled land vehicles in operating condition including all passenger vehicles, trucks, motorcycles and gas or electric carts. Vehicles that can be operated on city streets MUST have current DMV registration, display current license plate tags and sufficient insurance as mandated by the State of California.
 - 2.1.1. All vehicles, gas or electric, parked in the carport must display a Leisure World Seal Beach (LWSB) decal issued by the Security Department affixed and displayed on the lower left windshield, and a Mutual Five number tag in the driver’s side rear window lower corner. Board approval may be granted in waiving the display and affixing of the LWSB decal ONLY in unique and rare circumstances.
 - 2.1.2. Any vehicle that is non-compliance with these rules may be towed at the owner’s expense and as specified in CVC § 22658a, and in RESIDENT REGULATIONS, Policy 7582.05 – Towing Vehicles.
 - 2.1.3. The Mutual 5 Board of directors may at any time request evidence of current DMV registration and sufficient insurance.
- 2.2. The assigned carport is for operative vehicles only. The individual to whom the

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SEAL BEACH MUTUAL NUMBER FIVE**SHAREHOLDER REGULATIONS****Resident Regulations****AMEND**

carport is assigned is responsible for removing any spilled or dripped
contaminates such as oil, grease, or fuel emanating from the parked vehicle
and/or spreading to adjacent cabinets or carport floors assigned to other unit's
residents. These contaminants can pose a significant safety hazard and must
be cleaned. Failure to clean the floor of these contaminants will result in the
hazard being corrected by the Mutual and charged to the shareholder.

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- 2.3.** A motorcycle, three-wheeled vehicle or an electric cart may occupy a carport space. In the absence of a vehicle, the carport floor space may not be used as a storage area, whether free-standing or in any type of container, and no boats or trailers of any size or kind may be parked in the carport.
- 2.4.** Any vehicle in your carport space must be parked front end in. When parked, no vehicle shall extend beyond the edge of the carport roofline.
- 2.5.** Mechanical repairs on vehicles are not permitted, except for simple flat tire repair or jumping of a battery.
- 2.6.** No persons shall park any vehicle in any carport space not assigned to them unless authorized.
- 2.7.** Any request to transfer the temporary use of carport parking to another Mutual 5 shareholder or renter/lessee must be accompanied by a form titled "Carport Usage/Rental Agreement" which is available in the Stock Transfer Office. The form must be completed and approved by a Mutual Director and/or President before renting or loaning your carport space to a Mutual Five (only) shareholder and automobile owner or authorized Mutual 5 renter/lessee.

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If a shareholder has a motor vehicle, other than a golf cart or mobility scooter, registered in Mutual 5, that shareholder is prohibited from renting or assigning his/her carport space while parking his/her vehicle on Mutual 5 streets overnight."

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- 2.8.** No renter/lessee can transfer the use of their carport.
- 2.9.** The shareholder holding the occupancy agreement rights to the carport usage shall inform the Mutual President when the lease to their carport space is terminated. The exchange or use of a carport space and/or storage cabinet is not permitted on a permanent basis.
- 2.10.** A ladder (length not to exceed 6 feet) can be hung on the wall or beneath the

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81 unit's designated storage cabinet. A bicycle or a tricycle, and/or a collapsible
 82 grocery cart may be stored on the raised platform under your cabinet. No other
 83 storage is allowed on the platform. Any damage to the wall or an adjacent car
 84 because of this storage is the assigned shareholder's liability.

3. LIABILITY

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88 **3.1.** With the shareholder or renter/lessee's use of the carport, the shareholder or
89 renter/lessee accepts any liability for theft or damage housed to property or
90 possessions within the carport, or any damage to the carport, Mutual 5
91 property, or others' properties caused by the assigned resident's actions.
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93 **3.2.** In the event a person renting a shareholder's carport does not pay for damage
94 caused by the use of the same, the shareholder whose unit holds the rights to
95 the carport or carport storage unit shall hold the primary liability for any losses
96 to property belonging to the Mutual or other authorized residents.
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98 **3.3.** The shareholder (or in the case of the shareholder's death, their assignees,
99 estate or heirs) will be responsible for any unpaid fees, damages or penalties
100 associated with the carport usage while the residential unit is authorized to be
101 occupied by the shareholder or renter/lessee.
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4. CARPORT STORAGE CABINETS

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105 **4.1.** Each authorized shareholder or renter/lessee gains authorization to store items
106 in the two standard storage cabinets and the Non-Standard permitted cabinets
107 below the standard cabinets that may have been added by a shareholder.
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109 **4.2.** The use of the cabinet(s) and storage area is restricted to the shareholder or
110 renter/lessee assigned to the space.
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112 **4.3.** A shareholder who enters into a lease agreement for occupancy of their
113 residential unit must remove all items from the carport cabinet(s) and the space
114 immediately below them before the renter/lessee's occupancy of the residential
115 until will be approved by the Mutual.
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117 **4.4.** The Mutual 5 Board of Directors can authorize the immediate removal and
118 disposal of all items from an assigned storage space upon the expiration of the
119 right of occupancy by either the shareholder or renter/lessee. The costs of
120 removing such items will be charged to the shareholder.

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SHAREHOLDER REGULATIONS

Resident Regulations

AMEND

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- 4.5. Storage cabinets are intended for locked storage of personal items that are not environmental or safety hazards, including objects that are flammable, explosive, corrosive, reactive or that generate unpleasant odors.
- 4.6. Shareholders, contractors or handymen must have a permit from Physical Property to build a cabinet directly beneath the existing cabinet in the carport. Renter/lessees cannot apply for a cabinet expansion.
 - 4.6.1. The dimensions of the new cabinet shall be consistent with the current Physical Properties diagram.
 - 4.6.2. The exterior painted color and hardware shall match the existing cabinet.
 - 4.6.3. Approval must be obtained from Physical Properties before the cabinet is built and installed.
 - 4.6.4. A permit from the GRF Physical Property Department is required for the cabinet. The construction of the cabinet must be done by a GRF-approved contractor.
 - 4.6.5. Sliding doors on the cabinet may be allowed on a case-by-case basis.

Shareholders are reminded that when planning the optional cabinet that their parked vehicle shall not extend beyond the carport roofline.

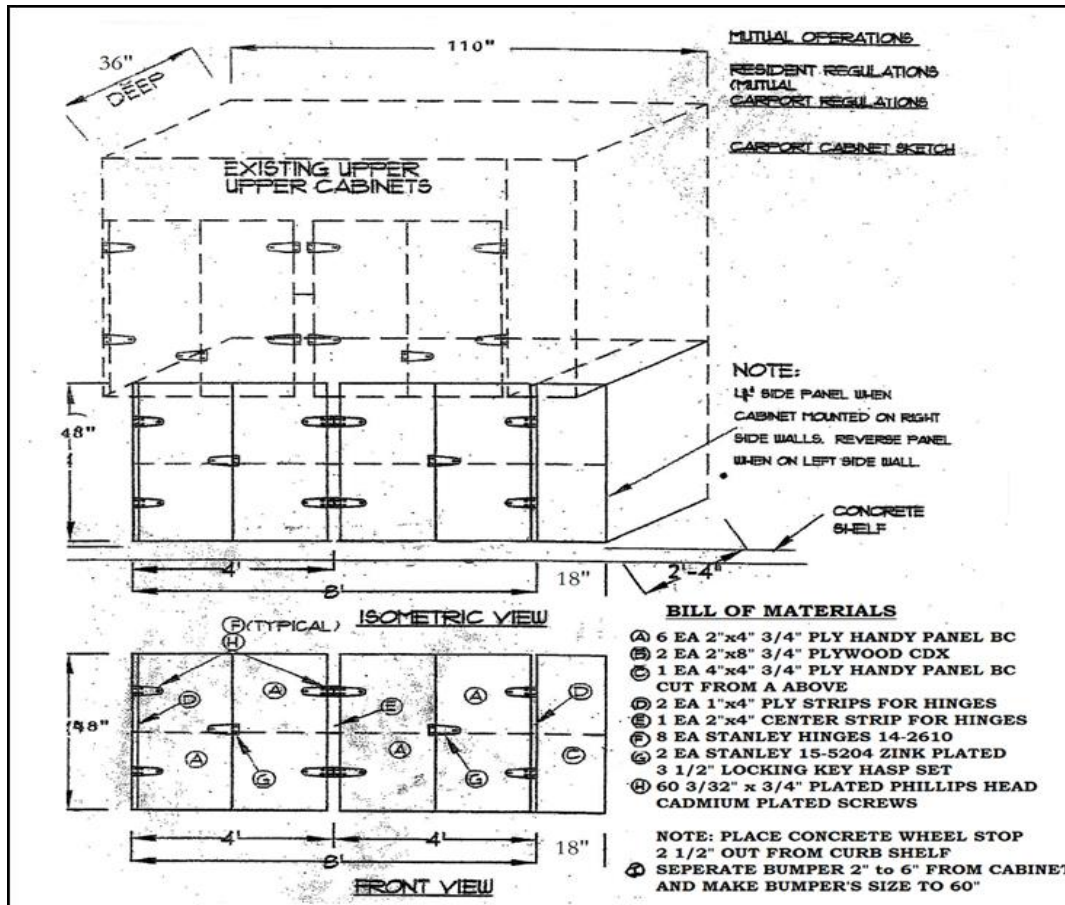
GRF Permit Required

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SHAREHOLDER REGULATIONS

Resident Regulations

AMEND



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 Parking

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