

**A G E N D A**  
**REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS**  
**SEAL BEACH MUTUAL NINE**  
**October 11, 2021**  
**Meeting begins at 9:00 a.m.**  
**Zoom Video and Conference Call**

**TO ATTEND:** The Shareholder will be provided with instructions on how to access the call via telephone or via video upon the Shareholder contacting his or her parcel director and requesting the login information.

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

1. CALL TO ORDER
2. SHAREHOLDER(S)' COMMENTS (2-3 Minutes per Shareholder – Agenda Items Only)  
**Note: Shareholders that have informed Mutual Administration or Directors they would like to comment during the meeting will be able to speak. Please see above.**
3. ROLL CALL
4. INTRODUCTION OF GRF REPRESENTATIVE, STAFF, AND GUEST(S):  
Mr. Dodero, GRF Representative  
Ms. Miller, Director of Finance  
Ms. Schultze, Mutual Accountant  
Mr. Rodriguez, Building Inspector  
Ms. Barua, Portfolio Specialist  
Ms. Vasquez, Recording Secretary
5. APPROVAL OF MINUTES:
  - a. **Regular Monthly Meeting Minutes of September 13, 2021.**
6. GUEST SPEAKER Ms. Miller/Ms. Schultze
  - a. Discuss and vote to approve Mutual 09's 2022 Operating Budget. (p.3)
  - b. Discuss and vote the acceptance of the CliftonLarsonAllen LLP Engagement letter. (pp.4-17)
7. BUILDING INSPECTOR'S REPORT Mr. Rodriguez  
Permit Activity; Escrow Activity; Contracts & Projects; Shareholder and Mutual Requests (pp.18-19)
  - a. Discuss and vote cart pad proposal for Unit 09-210G, at the shareholders expense. (pp.20-21)
8. GRF REPRESENTATIVE Mr. Dodero
9. **UNFINISHED BUSINESS**
  - a. Discuss and vote to ratify amended Rule 09-7507-1 - Golf Cart Pads, Golf Cart, Scooters (pp.22-24)

- b. Discuss and vote to ratify rescinded Policy 7427.G - Barbeque Usage and General Safety adopted Rule 09-7427-1 – Barbeque, Open Flame Device - Usage and General Safety Precautions. (pp.25-29)
- c. Discuss and vote to ratify rescinded Policy 7415.09 Patio and Porch and Pergola Area Regulations and adopt Rule 09-7415-1 Patio and Porch and Pergola Area Regulations (pp.30-43)
- d. Discuss and vote to ratify amended Rule 09-7560-1 – Leasing Rules and Regulations (pp.44-54)

**10. NEW BUSINESS**

- a. Consent Calendar (p.55)
- b. Approval of Mutual Monthly Finances (p.56)
- c. Discuss and vote to rescind Policy 7510.09 - Eligibility Requirements (pp.57-60)
- d. Discuss and vote to adopt Procedure 09-7510-3 - Eligibility Requirements(pp.61-64)
- e. Discuss and vote to go for three bids for Gutter Cleaning. (p.65)
- f. Discuss and vote to ratify Phone Poll taken on September 23, 2021, regarding 09-232G for 50 50 for a new oven. (p.66)
- g. Discuss and vote to approve Mutual 09 Garage Rentals and Cabinet Rental to streamline the payment process. (p.67)
- h. Discuss and vote to approve Mutual 09’s Annual Meeting date and time in May 2022. (p.68)
- i. Discuss and vote to amend Policy 7502.9 – Carport Regulations. (p.69-79)  
**Discussions are when time permits.**
- j. Discuss Special Announcement – Great news for Mutual 09.
- k. Discuss Fire Inspections – Please have your H06 Insurance available.
- l. Discuss GRF Management Contracts.

- 11. SECRETARY / CORRESPONDENCE Ms. Gruber
- 12. CHIEF FINANCIAL OFFICERS REPORT Mrs. McFadden
- 13. PORTFOLIO SPECIALIST Ms. Barua
- 14. ANNOUNCEMENTS

**a. NEXT REGULAR MEETING: Monday, November 8, 2021, at 9:00 a.m., Location: TBD**

- 15. COMMITTEE REPORTS
- 16. SHAREHOLDER(S)’ COMMENTS (2-3 MINUTES)
- 17. DIRECTORS’ COMMENTS
- 18. ADJOURNMENT
- 19. EXECUTIVE SESSION

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

# *Mutual Corporation No. Nine*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO APPROVE MUTUAL 09'S 2022 OPERATING BUDGET  
(GUEST SPEAKER, ITEM A)  
**DATE:** OCTOBER 11, 2021  
**CC:** MUTUAL FILE

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I move to approve the 2022 Operating Budget for Mutual Nine of \$1,951,108.00, resulting in a regular monthly Mutual assessment of \$423.42 per apartment per month, for an increase of \$16.44 per month over the total Mutual operating costs of 2021, as presented, and to adopt the budget forthwith.

# *Mutual Corporation No. Nine*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO APPROVE THE ACCEPTANCE OF THE CLIFTONLARSONALLEN LLP ENGAGEMENT LETTER (GUEST SPEAKER, ITEM B)  
**DATE:** OCTOBER 11, 2021  
**CC:** MUTUAL FILE

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I move to accept the CliftonLarsonAllen LLP Engagement Letter for the 2021 audit and to authorize the president to sign the letter.



CliftonLarsonAllen LLP  
1925 Century Park East, 16th Floor  
Los Angeles, CA 90067

phone 310-273-2501 fax 310-859-0374  
CLAconnect.com

September 13, 2021

Susan Hopewell, GRF Board President  
Management of Golden Rain Foundation  
Post Office Box 2069  
Seal Beach, California 90740

Dear Susan:

We are pleased to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the audit and nonaudit services CliftonLarsonAllen LLP (“CLA,” “we,” “us,” and “our”) will provide for Golden Rain Foundation (the “Company”) and the 16 Seal Beach Mutual Corporations (the “Mutual Corporations”) (“you,” “your,” or “the entity”) for the year ended December 31, 2021.

Johnny Minassian is responsible for the performance of the audit engagement.

#### **Scope of audit services**

We will audit the consolidated financial statements of the Company, which comprise the consolidated balance sheet as of December 31, 2021, and the related consolidated statements of revenues and expenses by segment, changes in membership interest and trust equity, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

We will audit the basic financial statements of the Mutual Corporations, which comprise the balance sheet as of December 31, 2021, and the related statements of operations, stockholders’ equity, and cash flows for the year then ended, and the related notes to the financial statements.

The Financial Accounting Standards Board (FASB) provides for certain required supplementary information (RSI) about future major repairs and replacements to accompany the entity’s financial statements, respectively. The RSI will be subjected to certain limited procedures, but will not be audited.

We will also evaluate and report on the presentation of the supplementary information other than RSI accompanying the financial statements in relation to the financial statements as a whole.

#### **Nonaudit services**

We will also provide the following nonaudit services:

- Preparation of adjusting journal entries.
- Preparation of your federal and state (if applicable) income tax returns.

#### **Audit objectives**

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in



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conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Our audit will be conducted in accordance with U.S. GAAS. Those standards require us to be independent of the entity and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. Our audit will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. We will apply certain limited procedures to the RSI in accordance with U.S. GAAS. However, we will not express an opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. We will also perform procedures to enable us to express an opinion on whether the supplementary information other than RSI accompanying the financial statements is fairly stated, in all material respects, in relation to the financial statements as a whole.

We will issue a written report upon completion of our audit of your financial statements. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph to our auditors' report, or if necessary, withdraw from the engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

#### **Auditor responsibilities, procedures, and limitations**

We will conduct our audit in accordance with U.S. GAAS. Those standards require that we exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. As part of our audit, we will:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing any

significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the amounts and disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

Although our audit planning has not been concluded and modifications may be made, we have identified the following significant risk(s) of material misstatement as part of our audit planning:

- Management override of controls.
- Fixed Asset capitalization and maintenance.

Our procedures will not determine whether the funds designated for future major repairs and replacements are adequate to meet such future costs because such a determination is outside the scope of the engagement.

There is an unavoidable risk, because of the inherent limitations of an audit, together with the inherent limitations of internal control, that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with U.S. GAAS. Because we will not perform a detailed examination of all transactions, material misstatements, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity, may not be detected.

In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management and those charged with governance of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management and those charged with governance of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

### **Management responsibilities**

Our audit will be conducted on the basis that you (management and, when appropriate, those charged with governance) acknowledge and understand that you have certain responsibilities that are fundamental to the conduct of an audit.

You are responsible for the preparation and fair presentation of the financial statements and RSI in accordance with U.S. GAAP. Management's responsibilities include the selection and application of accounting principles; recording and reflecting all transactions in the financial statements; determining the reasonableness of significant accounting estimates included in the financial statements; adjusting the financial statements to correct material misstatements; and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

You are responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities and safeguarding assets. You are responsible for the design, implementation, and maintenance of internal controls to prevent and detect fraud; assessing the risk that the financial statements may be materially misstated as a result of fraud; and for informing us about all known or suspected fraud affecting the entity involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations, and informing us of all instances of identified or suspected noncompliance whose effects on the financial statements should be considered.

You are responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including amounts and disclosures, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters, and for the accuracy and completeness of that information (including information from within and outside of the general and subsidiary ledgers); (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence. You agree to inform us of events occurring or facts discovered subsequent to the date of the financial statements that may affect the financial statements.

Management is responsible for the preparation of the supplementary information in accordance with U.S. GAAP. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. You agree to provide us written representations related to the presentation of the supplementary information.

Management is responsible for providing us with a written confirmation concerning representations made by you and your staff to us in connection with the audit and the presentation of the financial statements and RSI. During our engagement, we will request information and explanations from you regarding, among other matters, the entity's revenues and expenses, internal control, future plans, specific transactions, and accounting

systems and procedures. The procedures we will perform during our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the representations that we receive in the representation letter and otherwise from you. Accordingly, inaccurate, incomplete, or false representations could cause us to expend unnecessary effort or could cause a material fraud or error to go undetected by our procedures. In view of the foregoing, you agree that we shall not be responsible for any misstatements in the entity's financial statements that we may fail to detect as a result of misrepresentations made to us by you.

### **Responsibilities and limitations related to nonaudit services**

For all nonaudit services we may provide to you, management agrees to assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services. Management is also responsible for ensuring that your data and records are complete and that you have received sufficient information to oversee the services.

The responsibilities and limitations related to the nonaudit services performed as part of this engagement are as follows:

- We will propose adjusting journal entries as needed. You will be required to review and approve those entries and to understand the nature of the changes and their impact on the financial statements.
- We will prepare your 2021 federal and state (if applicable) income tax returns. The scope, limitations, and related terms of these tax services will be communicated in a separate engagement letter.

### **Use of financial statements**

The financial statements and our report thereon are for management's use. If you intend to reproduce and publish the financial statements and our report thereon, they must be reproduced in their entirety. Inclusion of the audited financial statements in a document, such as an annual report or an offering document, should be done only with our prior approval of the document. You are responsible to provide us the opportunity to review such documents before issuance.

If the parties (i.e., you and CLA) agree that CLA will not be involved with your official statements related to municipal securities filings or other offering documents, we will require that any official statements or other offering documents issued by you with which we are not involved clearly indicate that CLA is not involved with the contents of such documents. Such disclosure should read as follows:

CliftonLarsonAllen LLP, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. CliftonLarsonAllen LLP also has not performed any procedures relating to this offering document.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website or submitted on a regulator website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information

contained in those sites or to consider the consistency of other information in the electronic site with the original document.

We may issue preliminary draft financial statements to you for your review. Any preliminary draft financial statements should not be relied on or distributed.

**Engagement administration and other matters**

We understand that your employees will prepare all confirmations, account analyses, and audit schedules we request and will locate any documents or invoices selected by us for testing. A list of information we expect to need for our audit and the dates required will be provided in a separate communication.

We are available to perform additional procedures with regard to fraud detection and prevention, at your request, as a separate engagement, subject to completion of our normal engagement acceptance procedures. The terms and fees of such an engagement would be documented in a separate engagement letter.

The workpapers supporting the services we perform are the sole and exclusive property of CLA and constitute confidential and proprietary information. We do not provide access to our workpapers to you or anyone else in the normal course of business. Unless required by law or regulation to the contrary, we retain our workpapers in accordance with our record retention policy that typically provides for a retention period of seven years.

Pursuant to authority given by law or regulation, we may be requested to make certain workpapers available to regulatory agencies for their regulatory oversight purposes. We will notify you of any such request. Access to the requested workpapers will be provided to the regulators under the supervision of CLA personnel and at a location designated by our firm. Furthermore, upon request, we may provide copies of selected workpapers to such regulators. The regulators may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

Except as permitted by the "Consent" section of this agreement, CLA will not disclose any confidential, proprietary, or privileged information of the entity to any persons without the authorization of entity management or unless required by law. This confidentiality provision does not prohibit us from disclosing your information to one or more of our affiliated companies in order to provide services that you have requested from us or from any such affiliated company. Any such affiliated company shall be subject to the same restrictions on the use and disclosure of your information as apply to us.

Professional standards require us to be independent with respect to you in the performance of these services. Any discussion that you have with our personnel regarding potential employment with you could impair our independence with respect to this engagement. Therefore, we request that you inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence and objectivity. Further, any employment offers to any staff members working on this engagement without our prior knowledge may require substantial additional procedures to ensure our independence. You will be responsible for any additional costs incurred to perform these procedures.

Our relationship with you is limited to that described in this letter. As such, you understand and agree that we are acting solely as independent accountants. We are not acting in any way as a fiduciary or assuming any fiduciary responsibilities for you. We are not responsible for the preparation of any report to any governmental

agency, or any other form, return, or report or for providing advice or any other service not specifically recited in this letter.

Our engagement ends on delivery of our signed report. Any additional services that might be requested will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

### **Mediation**

Any disagreement, controversy, or claim (“Dispute”) that may arise out of any aspect of our services or relationship with you, including this engagement, shall be submitted to non-binding mediation by written notice (“Mediation Notice”) to the other party. In mediation, we will work with you to resolve any differences voluntarily with the aid of an impartial mediator.

The mediation will be conducted as specified by the mediator and agreed upon by the parties. The parties agree to discuss their differences in good faith and to attempt, with the assistance of the mediator, to reach an amicable resolution of the Dispute.

Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties.

Any Dispute will be governed by the laws of the state of Minnesota, without giving effect to choice of law principles.

### **Time limitation**

The nature of our services makes it difficult, with the passage of time, to gather and present evidence that fully and fairly establishes the facts underlying any Dispute that may arise between the parties. The parties agree that, notwithstanding any statute or law of limitations that might otherwise apply to a Dispute, including one arising out of this agreement or the services performed under this agreement, for breach of contract or fiduciary duty, tort, fraud, misrepresentation or any other cause of action or remedy, any action or legal proceeding by you against us must be commenced within twenty-four (24) months (“Limitation Period”) after the date when we deliver our final audit report under this agreement to you, regardless of whether we do other services for you relating to the audit report, or you shall be forever barred from commencing a lawsuit or obtaining any legal or equitable relief or recovery.

The Limitation Period applies and begins to run even if you have not suffered any damage or loss, or have not become aware of the existence or possible existence of a Dispute.

### **Fees**

Our professional fees will be billed based on the time involved and the degree of responsibility and skills required. We will also bill for expenses (including internal and administrative charges) plus a technology and client support fee of five percent (5%) of all professional fees billed. Based on our preliminary estimates, the total fees and expenses for the engagement should approximate \$153,300. This estimate is based on anticipated cooperation from your personnel and their assistance with preparing confirmations and requested schedules. If the requested items are not available on the dates required or are not accurate, the fees and expenses will likely be higher. If unexpected circumstances require significant additional time, we will advise you before undertaking

work that would require a substantial increase in the fee and expense estimate. Our invoices, including applicable state and local taxes, will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued our report. You will be obligated to compensate us for all time expended and related fees and to reimburse us for all out-of-pocket expenditures through the date of termination.

### ***Unanticipated services***

We do not anticipate encountering the need to perform additional services beyond those described in this letter. Below are listings of services considered to be outside the scope of our engagement. If any such service needs to be completed before the audit can proceed in an efficient manner, we will notify you and provide a fair and reasonable price for providing the service. We will bill you for the service at periodic dates after the additional service has been performed.

#### **Bookkeeping services**

Bookkeeping services are not audit services. Bookkeeping services include the following activities:

- Preparation of a trial balance
- Account reconciliations
- Bank statement reconciliations
- Capital asset accounting (e.g., calculating depreciation, identify capital assets for additions and deletions)
- Calculating accruals
- Analyzing transactions for proper recording
- Converting cash basis accounting records to accrual basis
- Assisting in calculating tax provisions
- Preparation of financial statements and the related notes to the financial statements
- Processing immaterial adjustments through the financial statements
- Adjusting the financial statements for new activities and new disclosures

#### **Additional work resulting from unanticipated changes in your organization or accounting records**

If your organization undergoes significant changes in key personnel, accounting systems, and/or internal control, we are required to update our audit documentation and audit plan. The following are examples of situations that will require additional audit work:

- Revising documentation of your internal control for changes resulting from your implementation of new information systems
- Deterioration in the quality of the entity's accounting records during the current-year engagement in comparison to the prior-year engagement
- Significant new accounting issues
- Significant changes in your volume of business
- Mergers, acquisitions, or other business combinations
- New or unusual transactions
- Changes in audit scope or requirements resulting from changes in your operations
- Erroneous or incomplete accounting records
- Evidence of material weaknesses or significant deficiencies in internal control
- Substantial increases in the number or significance of problem loans
- Regulatory examination matters
- Implementation or adoption of new or existing accounting, reporting, regulatory, or tax requirements
- New financial statement disclosures

**Changes in engagement timing and assistance by your personnel**

The fee estimate is based on anticipated cooperation from your personnel and their assistance with timely preparation of confirmations and requested schedules. If the requested items are not available on the dates required or are not accurate, we will advise management. Additional time and costs may be necessary because of such unanticipated delays. Examples of situations that may cause our estimated fee to increase include:

- Significant delays in responding to our requests for information such as reconciling variances or providing requested supporting documentation (e.g., invoices, contracts, and other documents)
- Rescheduling our fieldwork
- Schedule disruption caused by litigation, financial challenges (going concern), loan covenants (waivers), etc.
- Identifying a significant number of proposed audit adjustments

- Schedules prepared by your personnel that do not reconcile to the general ledger
- Numerous revisions to information and schedules provided by your personnel
- Restating financial statements for accounting errors in the prior year
- Lack of availability of entity personnel during audit fieldwork

***Changes in accounting and audit standards***

Standard setters and regulators continue to evaluate and modify standards. Such changes may result in new or revised financial reporting and disclosure requirements or expand the nature, timing, and scope of the activities we are required to perform. To the extent that the amount of time required to provide the services described in this letter increases due to such changes, our fee may need to be adjusted. We will discuss such circumstances with you prior to performing the additional work.

***Changes related to COVID-19***

COVID-19 continues to have significant direct and indirect impacts on financial reporting, disclosure requirements, and the nature, timing, and scope of the activities we are required to perform. To the extent that the amount of time required to provide the services described in this letter increases due to such changes, our fee may need to be adjusted. We will discuss such circumstances with you prior to performing the additional work.

***Other fees***

You also agree to compensate us for any time and expenses, including time and expenses of legal counsel, we may incur in responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings that we are asked to respond to on your behalf.

***Finance charges and collection expenses***

You agree that if any statement is not paid within 30 days from its billing date, the unpaid balance shall accrue interest at the monthly rate of one and one-quarter percent (1.25%), which is an annual percentage rate of 15%. In the event that any collection action is required to collect unpaid balances due us, reasonable attorney fees and expenses shall be recoverable.

**Consent**

***Consent to use information for benchmarking analysis***

In an effort to better serve the needs of our clients, we develop a variety of benchmark, performance indicator, and predictive analysis reports, using anonymized client data obtained from our audit, tax, and other engagements. Business and financial information that you provide to us may be combined with information from other clients and included within the aggregated data that we use in these reports. While some of these analytical reports will be published and released publicly, please be assured that the separate information that we obtain from you will remain confidential, as required by the AICPA Code of Professional Conduct.

**Subcontractors**

CLA may, at times, use subcontractors to perform services under this agreement, and they may have access to your information and records. Any such subcontractors will be subject to the same restrictions on the use of such information and records as apply to CLA under this agreement.

**Agreement**

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. This letter constitutes the entire agreement regarding these services and supersedes all prior agreements (whether oral or written), understandings, negotiations, and discussions between you and CLA. If you have any questions, please let us know. Please sign, date, and return this letter to us to indicate your acknowledgment and understanding of, and agreement with, the arrangements for our audit of your financial statements including the terms of our engagement and the parties' respective responsibilities.

Sincerely,

**CliftonLarsonAllen LLP**



Johnny Minassian, CPA  
Principal  
310-288-4268  
johnny.minassian@CLAconnect.com

**Response:**

This letter correctly sets forth the understanding of Golden Rain Foundation.

Authorized governance signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Appendix A**

Acknowledgement of services to be performed by CliftonLarsonAllen LLP for each Mutual Corporation as documented in the engagement letter dated September 13, 2021:

<b>Mutual 1</b>	_____	<b>Date:</b> _____
	<i>Board President</i>	
<b>Mutual 2</b>	_____	<b>Date:</b> _____
	<i>Board President</i>	
<b>Mutual 3</b>	_____	<b>Date:</b> _____
	<i>Board President</i>	
<b>Mutual 4</b>	_____	<b>Date:</b> _____
	<i>Board President</i>	
<b>Mutual 5</b>	_____	<b>Date:</b> _____
	<i>Board President</i>	
<b>Mutual 6</b>	_____	<b>Date:</b> _____
	<i>Board President</i>	
<b>Mutual 7</b>	_____	<b>Date:</b> _____
	<i>Board President</i>	
<b>Mutual 8</b>	_____	<b>Date:</b> _____
	<i>Board President</i>	
<b>Mutual 9</b>	_____	<b>Date:</b> _____
	<i>Board President</i>	
<b>Mutual 10</b>	_____	<b>Date:</b> _____
	<i>Board President</i>	

**Mutual 11** \_\_\_\_\_ **Date:** \_\_\_\_\_  
*Board President*

**Mutual 12** \_\_\_\_\_ **Date:** \_\_\_\_\_  
*Board President*

**Mutual 14** \_\_\_\_\_ **Date:** \_\_\_\_\_  
*Board President*

**Mutual 15** \_\_\_\_\_ **Date:** \_\_\_\_\_  
*Board President*

**Mutual 16** \_\_\_\_\_ **Date:** \_\_\_\_\_  
*Board President*

**Mutual 17** \_\_\_\_\_ **Date:** \_\_\_\_\_  
*Board President*

**INSPECTORS REPORT 2021**

MUTUAL:	<b>NO. 9</b>	INSPECTOR:	<b>Victor Rodriguez</b>
MUTUAL BOARD MEETING DATE:	<b>October 11th, 2021</b>		

**PERMIT ACTIVITY**

UNIT/BLDG	DESCRIPTION OF WORK	GRF/CITY PERMITS	PERMIT ISSUE	COMP DATE	CHANGE ORDER	RECENT INSPECTION	CONTRACTOR / COMMENTS
206F	PATIO	GRF	06/04/21	09/30/21	yes	Rebar 7/20/21	MAMUSCIA
208B	FLOORING	GRF	07/23/21	09/14/21	YES	FINAL 9/22/21	STERLING CARPET & FLOORING
210E	FLOORING	GRF	08/11/21	12/30/21	NO		KARYS CARPETS
210E	1/2 BATH,POCKET DOOR,BARN DOOR,SCONCE LIGHTS,CEILING FA	BOTH	08/16/21	11/20/21	NO		LOS AL BUILDERS
211E	CABINETS,COUNTER TOPS AT BATHROOM, INSTALL 3 CAN LIGHTS	BOTH	09/20/21	01/31/21	NO		JOHN M. BERGKVIST
211i	WINDOWS	BOTH	07/16/21	11/30/21	NO		LOS AL BUILDERS
212E	SHOWER CUTDOWN	GRF	09/20/21	12/04/21	NO		NUKOTE
212I	SECURITY SCREEN DOOR	BOTH	08/27/21	10/22/21	NO		PACIFIC SCREEN DOORS
215J	SLING DOOR,WINDOWS, AND ENTRY DOOR	BOTH	09/16/21	12/20/21	NO		LOS AL BUILDERS
217F	KITCHEN COUNTERTOPS, SINK, BACKSPLASH, AND CEILING LIGHT	BOTH	09/09/21	10/29/21	NO		MARCO CONSTRUCTION
217F	FLOORING	GRF	09/07/21	10/15/21	NO		KARY'S CARPET
218F	ENTRY DOORS	GRF	04/30/21	10/01/21	YES	WAITING OF CHANGE ORDER	SEAPORT WINDOWS & DOOR
220A	INSTALL CEILING FAN	BOTH	09/03/20	11/30/21	NO		BA CONSTRUCTION
220G	REPLACE EXISTING STEPPING STONES FOR INTERLOCING PAVER	GRF	08/19/21	10/30/21	NO	FINAL 10/04/21	MAMUSCIA CONSTRUCTION
221C	WASHER/DRYER	BOTH	08/27/21	12/24/21	NO		JOHN M. BERGKVIST
222B	SOLATUBE AT KITCHEN	BOTH	08/09/21	09/06/21	NO	FINAL 9/09/21	SOLATUBE HOME
222E	SHOWER CUTDOWN	GRF	07/26/21	09/16/21	NO	FINAL 9/29/21	NUKOTE
222J	SOLATUBE AT KITCHEN	BOTH	06/17/21	07/17/21	NO	FINAL 9/09/21	SOLATUBE HOME
223H	SHOWER REMODEL,PONY WALL AT L.R. AND B.R. ,WINDOWS	BOTH	07/27/21	12/22/21	NO	FRAM,ROUGH, PLUM9/17/21	LW DÉCOR
224G	FLOORING	GRF	09/17/21	09/27/21	NO	FINAL 9/23/21	KIM'S INTERIOR & FLOORING
224G	HEAT PUMP	BOTH	09/16/21	12/21/21	NO		GREEN WOOD
225G	SCRAPE ACOUSTIC CEILING	GRF	09/20/21	10/15/21	NO	FINAL 10/04/21	SIRRIS ABATEMENT
228C	FLOORING	GRF	08/31/21	10/01/21	NO	FINAL 9/13/21	KARY'S CARPET
229A-L	ROOFING	BOTH	03/09/21	10/15/21	NO		HOWARD ROOFING
229J	FLOORING	GRF	09/27/21	10/30/21	NO		KARY'S CARPET
231L	PERGOLA	BOTH	05/25/21	08/31/21	NO	WAITING OF CHANGE ORDER	CITY WIDE CONSTRUCTION
235L	FLOORING	GRF	08/31/21	10/01/21	NO	FINAL 10/06/21	KARY'S CARPET
236	RE-ROOFING	BOTH	03/09/21	10/15/21	YES	sheating 9/14/21	HOWARD ROOFING
236D	30x30 SKYLIGHT	BOTH	06/29/21	08/31/21	NO	WAITING OF CHANGE ORDER	M&M CONSTRUCTION
blue color indicates roofs that have been completed and to let contractors know that only Roofing Standards can penetrate the roof on any project							

ESCROW ACTIVITY							
UNIT #	DOCUMENTS/COMMENTS	PLI	NBO	FI	FCOEI	ROF	NMI
207D		02/12/20					
211L		09/07/21	10/06/21				
212I		11/03/20	07/08/21	07/08/21	07/27/21	09/20/21	
213J		08/03/21					
215B		09/15/21					
222I		08/04/20					
223G		02/05/20					
224G		04/12/21	08/25/21	09/01/21			
225E		06/02/21	07/28/21	08/14/21	08/13/21		
226H		08/11/21					
228C		7/27/21	08/10/21	08/11/21	08/24/21	9/13/2021	
229J		07/30/21	08/30/21	09/03/21	09/20/21		
234D		07/19/21	09/03/21	09/16/21	09/27/21		
235L		07/22/21	08/11/21	08/11/21	08/25/21	9/20/2021	
<p style="text-align: center;">NMI = New Member Inspection    PLI = Pre-Listing Inspection    NBO = New Buyer Orientation  FI = Final Inspection    FCOEI = Final COE Inspection    ROF = Release of Funds</p>							
CONTRACTS							
HOWARD ROOFING				BUILDING 208+L,210,211,229,AND 236 MARCH 1ST - OCTOBER 1ST 2021			
BA CONSTRUCTION				REPLACE DRY ROT AND TERMITE DAMAGE			
JC KRESS				INSTALL STOVE HOOD AND DAMPERS			
ADVANCE PAINTING				PAINT REPAIRS			
FOUR STARS				AUGUST 1ST 2021 - JULY 31ST 2024			
FENN BAIT STATION				JULY 1ST 2020- JUNE 30TH 2023			
EMPIRE PIPE CLEANING				YEARLY			
FENN PEST CONTROL				JUN 1,2020- MAY 31,2023			
SPECIAL PROJECTS							
CONTRACTOR				DESCRIPTION OF WORK			
FOUR STARS				Cart pad for 9-210G			
VISITS							
UNITS				REASON			
9-218J				CHECK ANTENNA			
9-227F				CHECK REFRIGERATOR			
9-215				CHECK AROUND BUILDING FOR TREE ROOTS			
9-232G				CHECK OVEN			
9-235i				CHECK ON WATER FOUNTAIN			
9-212A				CHECK ON WATER FOUNTAIN			
9-235k				CHECK ON BIRD BATH			
9-236H				CHECK DISH ANTENNA			
9-234B				CHECK SHOWER FLOOR			
9-222G				MEET WITH FENN			

# *Mutual Corporation No. Nine*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO APPROVE PATIO PROPOSAL FOR UNIT 09-210G  
AT THE SHAREHOLDERS EXPENSE (BUILDING INSPECTOR REPORT, ITEM  
A)  
**DATE:** OCTOBER 11, 2021  
**CC:** MUTUAL FILE

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I move to approve the cart pad proposal for unit 09-210G, at the shareholders expense.



- INSTALL 5'X11' CART PAD TO RIGHT OF ENTRY WALK
- WILL BE USING INTERLOCKING PAVERS
- WILL INSTALL A 3" CONCRETE MOW STRIP ON RIGHT SIDE OF CART PAD
- SPRINKLES WILL BE RELOCATED AS NEEDED
- LIKE UP GARDEN LINE

GARDEN LINE 3.6"  
 3" MOW STRIP

9-2106

# *Mutual Corporation No. Nine*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO RATIFY AMENDED RULE 09-7507-1 GOLF CART PADS, GOLF CART, SCOOTERS (UNFINISHED BUSINESS, ITEM A)  
**DATE:** OCTOBER 11, 2021  
**CC:** MUTUAL FILE

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I move to ratify amended Rule 09-7507-1 Golf Cart Pads, Golf Cart, Scooters; the 28-day posting has been met.

**SEAL BEACH MUTUAL NO. NINE**

**Shareholder Regulations**

**Golf Cart Pads, Golf Cart, Scooters**

**GOLF CART PADS**

1. Shareholders must obtain approval from the board and follow established guidelines for the installation and use of any electric cart or scooter and any necessary pad used for parking and recharging of carts and scooters. Such pads shall not be considered a permanent change to the Unit but shall remain a “non-standard” change.
2. **Current** shareholders shall have already purchased or being in possession of **purchasing** the electric cart/scooter prior to Board approval of Golf Cart Pad.
3. The Mutual Board must approve on a case-by-case basis the location of the golf cart pad. Photos must be submitted showing the complete area. Upon board approval a permit must be obtained from the GRF Physical Property Department.
4. The pad shall be constructed of interlocking pavers **or concrete slabs; NOT PERMITTED are turf stones or gravel.** ~~Concrete slabs and turf stones are not permitted.~~ Existing turf stones are to be replaced if it becomes a safety hazard. Decorative pavers and stone along the walkway and will be adjoining to the pad, the walkway must have a 3” concrete buffer/edge on each side. Board approval on a case by case for this configuration.
5. The pad shall not exceed 5’ (five feet) in width **or site specific.**
6. GFI needs to be installed or if other means of charging must ~~have board approval.~~ **GRF Physical Property approval.**
7. If the shareholder no longer owns a golf cart and the golf cart pad becomes a safety issue, the board may require it to be removed at shareholder’s expense. The cart pad may not be used as an outdoor patio. There will be no plants, furniture, or decorations of any kind on the pad at any time of the day or night. Notice of these violations will be given for any infraction. After three violations, the temporary variance will be revoked. At the shareholders’ expense, the cart pad will be removed and returned to common area.
8. The Shareholder will be financially responsible for all installation and maintenance costs. Any modifications to the Mutual’s sprinkler system that are required as a result for the installation shall be done by the Mutual’s contracted landscaper at Shareholders expense.
9. Any cart pad that does not meet current policy or a pad is a safety hazard or needs repairs must be removed upon sale or transfer of the share of stock at seller expense. The seller must replant grass and add sprinklers, as necessary. A pad that meets current policy may remain if the buyer **agrees to sign all GRF indemnity documents maintain the pad and signs 7507.9A.** ~~and intends to obtain an electric golf cart/scooter within sixty (60) days of the move in date and agrees in writing to maintain it and is compliance with this policy.~~
10. **At time of sale, of the unit, if the pad has turf stones or gravel it will need to be removed or replaced with interlocking pavers at seller’s expense.**

**GOLF CART/SCOOTERS**

1. Golf cart drivers must obey all rules of the road per California Vehicle Code (CVC). For

(Sep 21)

**GOLDEN RAIN FOUNDATION Seal Beach, California**

**SEAL BEACH MUTUAL NO. NINE**

**Shareholder Regulations**

**Golf Cart Pads, Golf Cart, Scooters**

- 41 safety reasons, all electric carts MUST have a rear-view mirror, directional signals,
- 42 headlights, taillights, and brake lights in good operating condition.
- 43 2. Headlights shall be used when driving in darkness.
- 44 3. Pedestrians always have the right of way.
- 45 4. Carts driving on sidewalks must not drive faster than 5 MPH.
- 46 5. All golf carts must be registered with Security and display a Leisure World Seal Beach
- 47 (LWSB) sticker and Security-assigned number. Electric cart owner obtains sufficient
- 48 insurance to protect themselves in case of personal injury or damage to the Mutual's property
- 49 or another person's property.
- 50 6. All accidents including property damage must be reported to Security/SBPD.
- 51 7. Any carts that damage the sprinklers will pay for the repairs.
- 52 8. Electric carts cannot be parked in a walkway while being charged.
- 53 9. Electric cords for charging cannot be placed across any walkway.
- 54 10. Electric cart/scooters cannot be parked in such a way to interfere with the required 36" entry
- 55 into or the exit from any unit.
- 56 11. Golf cart pads can be used for parking and charging electric carts. All other uses of the pads
- 57 are prohibited.
- 58 12. The shareholder must sign the attached Agreement Policy 7507.9A assuming full
- 59 responsibility and for any injury, liability and for all maintenance, repair, or removal and
- 60 restore. In no case shall more than one pad per unit be approved.
- 61 13. Parking of an electric cart may be permitted on the grass temporarily for recharging only.

**LOW SPEED VEHICLE (LSV)/ GASOLINE POWERED CARTS**

- 65 1. A motor vehicle electric which is designed to travel in excess of 20 MPH with a maximum
- 66 speed of 25 MPH. LSV's less than 48" in width shall be driven in accordance with the
- 67 policies/rules and regulations established for Golf Carts LSVs are prohibited from all mutual
- 68 walkways and sidewalks, no exceptions.
- 69 2. A low-speed vehicle must have board approval before purchasing.
- 70 3. Gasoline powered carts – may NOT be parked adjacent to a unit.
- 71 4. Gasoline powered carts may ONLY be parked in the carport parking area.

**Document History**

Adopted: 09 Aug 2021  
Amended: 15 Sept 2021

**Keywords:** Mutual Nine    Golf Cart    Pads    Scooters

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# *Mutual Corporation No. Nine*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO RATIFY RESCINDED POLICY 7427.G - BARBEQUE USAGE AND GENERAL SAFETY PRECAUTIONS AND ADOPTED RULE 09-7427-1 BARBEQUE, OPEN FLAME DEVICES - USAGE AND GENERAL SAFETY PRECAUTIONS (UNFINISHED BUSINESS, ITEM B)  
**DATE:** OCTOBER 11, 2021  
**CC:** MUTUAL FILE

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I move to ratify rescinded Policy 7427.G - Barbeque Usage and General Safety Precautions and adopted Rule 09-7427-1 – Barbeque, Open Flame Devices - Usage and General Safety Precautions; the 28-day posting requirement has been met.

## MUTUAL OPERATIONS

### PHYSICAL PROPERTY

#### Barbeque – Usage and General Safety Precautions – Except Mutual Seven

##### Barbeque Usage

- 1) ~~Propane, butane or charcoal barbeques shall only be used in a location that is at least 10 feet away from all structures. Mutual Two allows the use of barbeques outside as long as it is not underneath the eaves. After barbequing, the barbeque may be left in place overnight to allow the appliance or charcoal to cool down.~~
- 2) ~~Propane, butane or charcoal barbeques shall not be used under a patio roof due to the possibility of large flare-up flames while cooking.~~
- 3) ~~Propane, butane or charcoal barbeques shall never be used inside an apartment for cooking, heating or storage purposes.~~

##### Charcoal Briquettes

~~Mutual Two: Charcoal barbeques are not permitted.~~

~~Mutual Four: Charcoal barbeques are not permitted.~~

~~Mutual Eleven: Charcoal barbeques are not permitted.~~

~~Mutual Twelve: Charcoal barbeques are not permitted.~~

~~If charcoal briquettes are used, a bucket of water must be kept near the barbeque in order to douse the flame if it gets out of control.~~

~~In order to prevent possible spontaneous combustion, charcoal briquettes, especially the self-starting type, may not be stored in the sun on the patio.~~

~~Charcoal briquettes must be left in the barbecue to cool down before disposing of them. **DO NOT** place hot charcoal briquettes in trash cans or bins, and **ALWAYS** make sure that the fire is extinguished before disposing of ashes.~~

##### Barbeque Storage

- 1) ~~Propane, butane or charcoal barbeques shall be stored on the outside, open patio of ground floor apartments, but never stored in an enclosed patio. If a unit has no patio, the barbeque must be covered and stored in the garden area adjacent to the main entry walkway.~~
- 2) ~~Propane, butane or charcoal barbeques shall not be stored inside an apartment.~~
- 3) ~~Propane, butane, or other compressed gas shall not be stored on an enclosed patio or inside an apartment.~~

**MUTUAL OPERATIONS**

**PHYSICAL PROPERTY**

**Barbeque – Usage and General Safety Precautions – Except Mutual Seven**

Mutual Seventeen Only

~~Due to the possibility of smoke and fumes entering other apartments, and in order to be in compliance with the Fire and Safety Precautions, barbeques of any kind are not permitted anywhere within the property boundaries of Mutual Seventeen.~~

<b><u>MUTUAL ADOPTION</u></b>	<b><u>AMENDED</u></b>
<del>One</del>	<del>06-25-15</del>
<del>Two</del>	<del>03-19-15</del>
<del>Three</del>	<del>05-09-14</del>
<del>Four</del>	<del>05-13-15</del>
<del>Five</del>	<del>03-27-15</del>
<del>Six</del>	<del>03-27-15</del>
<del>Seven</del>	<del>04-17-15 rescinded 03-15-17 (see Policy 7427.07)</del>
<del>Eight</del>	<del>08-25-14</del>
<del>Nine</del>	<del>04-14-14</del>
<del>Ten</del>	<del>08-27-14</del>
<del>Eleven</del>	<del>05-21-14</del>
<del>Twelve</del>	<del>05-10-14</del>
<del>Fourteen</del>	<del>03-28-15</del>
<del>Fifteen</del>	<del>03-16-15</del>
<del>Sixteen</del>	<del>04-18-14</del>
<del>Seventeen</del>	<del>N/A</del>

**SEAL BEACH MUTUAL NO. NINE**

**PHYSICAL PROPERTIES**

**Barbeque, Open Flame Devices – Usage and General Safety Precautions**

- 1     **1. BARBEQUE USAGE**  
2  
3         **1.1.** Propane or butane BBQ grills shall only be used in a location that is at least 10  
4             feet away from all structures. After barbequing, the barbeque may be left in the  
5             place overnight to allow the appliance to cool down.  
6         **1.2.** Propane or butane barbeques shall not be used under a patio roof due to the  
7             possibility of large flare-up flames while cooking.  
8         **1.3.** Propane or butane barbeques shall never be used inside an apartment for  
9             cooking, heating, or storage purposes.  
10  
11     **2. FRYERS**  
12  
13         **2.1.** Oil from turkey fryers must be returned to the original container, closed, and  
14             disposed of in trash bins. Oil cannot be poured in ANY drains including sinks,  
15             toilets, and storm drains.  
16  
17     **3. OPEN FLAME/SMOKERS OF ANY KIND – NOT ALLOWED**  
18  
19         **3.1** NOT ALLOWED: Any large flames of any kind cannot be used in Mutual 09. This  
20             would include any portable open fire burning wood stove, fire pit, candles, open  
21             fire table, including fire burning tiki torches.  
22         **3.2** NOT ALLOWED: Any type of smokers, charcoal grills a, and glowing vivid flame  
23             heaters of any kind.  
24  
25  
26     **4. BARBEQUE STORAGE**  
27  
28         **4.1** Propane or butane barbeques shall be stored on the outside, open patio ground  
29             floor apartments, but never stored in an enclosed patio. If a unit has no patio, the  
30             barbeque must be covered and stored in the garden area adjacent to the main  
31             entry walkway.  
32         **4.2** Propane or butane barbeques shall not be stored inside an apartment.  
33         **4.3** Propane or butane, or other compressed gas shall not be stored on an enclosed  
34             patio or inside a unit.  
35

36 Due to the possibility of smoke and fumes entering other units, and in the order to be in  
37 compliance with the Fire and Safety Precautions, barbeques of any kind are not permitted  
38 anywhere within 10 feet away from neighbor's unit.  
39

**SEAL BEACH MUTUAL NO. NINE**

**PHYSICAL PROPERTIES**

**Barbeque, Open Flame Devices – Usage and General Safety Precautions**

40 Document History  
41 Adopted: 13 Sept 2021

42  
43  
44 Keywords:   BBQ       OPEN FLAME   SAFETY

DRAFT

# *Mutual Corporation No. Nine*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO RATIFY RESCINDED POLICY 7415.09 - PATIO AND PORCH AND PERGOLA AREA REGULATIONS (UNFINISHED BUSINESS, ITEM C)  
**DATE:** OCTOBER 11, 2021  
**CC:** MUTUAL FILE

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I move to ratify rescinded Policy 7415.09 - Patio and Porch and Pergola Area Regulations and adopted Rule 09-7415-1 - Patio and Porch and Pergola Area Regulations; the 28-day posting has been met.

## MUTUAL OPERATIONS

### PHYSICAL PROPERTY

#### Patio and Porch and Pergola Area Regulations – Mutual Nine

The purpose of this policy is to provide guidelines for the building and maintenance of patios and porches that are user friendly, increase the value to the Mutual, and improve the aesthetics of the shareholders' units in Mutual Nine (9). Also it addresses the need to meet applicable Fire Codes and the safety of each family.

#### **Definition of Terms**

1. A patio is any surface other than garden material that is attached or adjacent to the outside wall structure of the unit's structure.
2. A porch is the space under the roof of the structure open to the outside or enclosed from the weather.
3. A porch and patio can be built as a continuous structure, will be considered and maintained as a patio and or porch with this policy.
4. Transfer of title shall have the same meaning as used for determination of when a California transfer tax on real property is assessed by the State of California.

#### **Stipulations for Existing Patios**

1. All currently installed patios and porches will be considered as allowed. However, the following patio and porch use: "rules and maintenance requirements must be adhered to".
2. At the time of transfer of title or sale of a unit with a patio or porch, the buyer must agree to manage, maintain, and insure the cost of the patio or it shall be removed at the seller's cost. The new buyer/transferee must sign the pre-inspection, permit and occupancy agreement provided by GRF, at the time of purchase. License and Indemnity Agreement provided by the Mutual Nine Board. Remodels of existing patios must comply with this patio and porch policy in its entirety.

#### **Patio Approval Process**

1. All requests for patios must be submitted to the Golden Rain Foundation (GRF) Physical Property Department at least three (3) weeks prior to a regularly scheduled Mutual Nine (9) Board Meeting. The GRF Physical Property Inspector must submit the plan for approval to the Board of Directors at least two (2) weeks prior to a regularly scheduled Board Meeting.
2. Patio plans must be drawn to be easily understood with dimensions and must include the walls, wall caps, fences, and no lockable gates.

## MUTUAL OPERATIONS

### PHYSICAL PROPERTY

#### Patio and Porch and Pergola Area Regulations – Mutual Nine

3. All patio requests will be considered by the Board of Directors on a site-specific basis, taking into consideration, but not limited to the following:
  - a) Aesthetic/financial value to the Mutual
  - b) Functionality for the shareholder
  - c) Utility boxes
  - d) Electrical enclosures/panels
  - e) Sprinkler systems
  - f) Sprinkler valves/plumbing
  - g) Telephone pull boxes/equipment
  - h) Sidewalks
  - i) Laundry room
  - j) Landscaping
  - k) Other units access
4. A majority vote of a quorum of the Board of Directors is necessary for approval and the plans must be approved before the start of construction.
5. Shareholder must complete and submit the **Agreement to Patio Regulations Form (See Attachment – 7415.9A)** as part of the approval process and prior to the start of any work.

#### **Patio Building Requirements**

1. Patios must slope away from the building with adequate weep holes in walls for draining.
2. Patio top surface material must be no-skid when wet. Outdoor carpeting is NOT permitted.
3. All patios may be enclosed by a wall or a decorative wrought iron or similar material fence suitable for outdoor application. Patio wall including cap and fence may be up to 36 inches in total height. Gate colors will complement the patio walls. Walls may be constructed of brick, flagstone, slump stone, stack stone, or similar decorative masonry building materials. Walls may also be constructed of concrete block and surfaced with stucco the same color as the building. All block walls shall have a compatible stone cap.
4. When an adjacent neighbor's wall already exists, the newly constructed wall will complement the existing wall.

## MUTUAL OPERATIONS

### PHYSICAL PROPERTY

#### Patio and Porch and Pergola Area Regulations – Mutual Nine

- ~~5. Patios may extend out 60 inches from the unit structure wall.~~
- ~~6. A 36 inch access must be maintained from the entrance of the patio to the entry door of the unit. Walkway must have no obstructions included potted plants. Nothing must impede emergency personnel and equipment the Fire Department, Golden Rain Security personnel, and Service Maintenance personnel. All patio window spaces must be kept clear at all times to facilitate emergency exit and entrance to and from the unit.~~
- ~~7. No patio addition or porch may have an access door/gate that locks. A door outside in the patio or porch without direct access into your unit is not considered an entry door and may not lock.~~
- ~~8. A 5-inch cement mowing strip is required where the patio is adjacent to a grass area.~~
- ~~9. Any changes or deviations from the approved plans must be submitted to the Board of Directors and approved prior to implementation.~~
- ~~10. Mutual Nine will provide a disclosure to all new shareholders stating that their patios might have been built over sewer, water, electrical, or other types of utilities that the potential to require access or relocation and that this could require removal of all or a portion of the patio at the owner's expense. This disclosure must be signed by the selling shareholder and it will be provided to the purchasing shareholder with the Licensing and Indemnity Agreement.~~
- ~~11. Shareholders shall bear any and all costs of the patio including the maintenance of the patio, sprinkler relocation, grass replacement, tree replacement, and flower bed repairs. As a condition of patio approval, the shareholder must obtain and maintain liability covering any and all lawsuits involving the patio. The shareholder must agree and sign the Licensing and Indemnity Agreement provided by the Mutual.~~

#### **Patio and Porch Use: Rules and Maintenance Requirements**

- ~~1. Patio and Porch items appropriate for patio and porch outdoor usage such as chairs and lounges with cushions are allowed. Storage boxes designed for patio and porch use may not exceed 4 feet in width by 6 feet in length and~~

~~SHALL not exceed the height of the wall/fence. Patio sheds must be made of plastic, resin or polyurethane (not wood or metal).~~

MUTUAL OPERATIONS

## PHYSICAL PROPERTY

Patio and Porch and Pergola Area Regulations – Mutual Nine

- ~~2. Patios and Porch areas must be kept free of clutter. If there is a question whether clutter exists, the question will be decided by a vote of the Board.~~
- ~~3. Barbeques may be kept on patios and porches and must be used according to the barbeque Policy 7427.09 G – Barbeque/Open Flame Devices – Usage and General Safety Precautions. Charcoal burning barbeques are NOT permitted.~~
- ~~4. Pets must not be left unattended on patios and porches.~~
- ~~5. **NOT ALLOWED:** Pet doors giving pet's free access to and from patios and porches are NOT allowed.~~
- ~~6. Potted plants may be kept on patio/porch walls. Plants may not be in nursery pots. Pots must have a water retention base and not allow water to drain on the patio/porch wall. Potted plants from the base of the pot to the top of the plant may not exceed 48 inches in height. A maximum number of potted plants on the patio/porch wall may not exceed 1 in every 4 feet of the patio/porch wall.~~
- ~~7. No more than 2 small/medium self-propelled vehicles scooters/wheelchairs.~~
- ~~8. Patio and Porch Décor:
 
  - ~~a. Screens, panels or drapes to block the sun must be of outdoor fire retardant fabric and must be maintained.~~
  - ~~b. Obscene objects hanging or stationary are prohibited.~~~~
- ~~9. Prohibited activities consist of any workshop causing noise, odor, unsightliness, and/or unhealthy conditions. Be guided by the "occasional hobby-oriented" activity rather than an ongoing business or any activity considered to be a nuisance to neighbors. Contact the Board by sending a letter to the Secretary for information and guidance.~~
- ~~10. Patios and Porches may NOT be converting into a storeroom. Items permitted for storage must be enclosed.~~
- ~~11. Any item in, on, or built into or onto a patio or porch in conflict with this policy must be removed by the shareholder after 10 days of written notification. If the item is not removed after the 10-day period, the Mutual will have the right to remove the item at the shareholder's expense.~~
- ~~12. An enclosed patio or porch may not function as a bedroom, kitchen or storage closet.~~

**MUTUAL OPERATIONS****PHYSICAL PROPERTY****Patio and Porch and Pergola Area Regulations – Mutual Nine**

- ~~13. A refrigerator or freezer in working condition plugged directly into wall socket is permitted only on the PORCH area of a NON expanded unit and located so as it does not impede passage nor detracts from the ambiance of the building.~~
- ~~14. A washer or a dryer or a stacking washer and dryer may be installed inside the PORCH ONLY of an NON expanded unit and must be in an enclosed storage cabinet. A permit must be obtained for the installation of these appliances and all codes relating to electrical and, if, applicable, plumbing and ventilation must be adhered to.~~
- ~~15. Items NOT permitted on patios and porches overnight and or stored are: Newspapers, magazines, paper, plastic bags, cardboard, any type of open food containers, including pet food, flammable chemicals, laundry hung airing or drying, non-working refrigeration or freezers, nursery for growing plants, saws, vacuum cleaners/rug shampoo machines, permanent pet kennels, dog runs, electric or gas golf carts, gas operated tools or equipment, spas or hot tubs, Extension cords strung across patio, or extended use of extension cords is not permitted. Shelving may not be supported/anchored off the building walls.~~
- ~~16. Hot tubs, fire pits or heaters, Jacuzzis, saunas dry or wet, spas, pools, barbeque islands, green houses, game tables, exercise equipment, hobby centers or work benches and any and all items that are free standing and better suited for a backyard or enclosed room are not permitted.~~

**Pergola Patio Additions (End Units Only)**

- ~~1. a. The addition of a pergola to an existing permitted end unit patio or a newly constructed end unit patio must meet all the existing Mutual 9 regulations as stated in the Mutual 9 Patio Policy 7415.09. Pergolas are not permitted on interior patios: units B—E and H—K.~~
- ~~b. Prior to any Mutual approval, construction, materials used and all structural mounting must meet all City of Seal Beach building codes and GRF Physical Properties Department requirements. Only approved GRF and Mutual Contractors can be used to construct the Pergola.~~
- ~~c. Plans for the proposed pergola must be submitted to the Mutual 9 Board of Directors along with a detailed architectural rendering by a contractor who is licensed, insured, and approved by the GRF Physical Properties Department and Mutual 9 Board.~~

**MUTUAL OPERATIONS****PHYSICAL PROPERTY****Patio and Porch and Pergola Area Regulations – Mutual Nine**

- d. ~~The pergola must be site specific, determined by the Mutual Board on a case by case basis to be blended into the aesthetic plan of the total existing area~~
- e. ~~No electric outlets are to be installed or incorporated on the pergola.~~
- f. ~~No electric overhead fans, misters, extension cords or lights may be used on the pergola~~
- g. ~~No coverings of any type may be placed on the rafters of the pergola, including all solid materials, screens, or shade cloth of any type~~
- h. ~~No permanent screening may be used on the pergola, including framed screens, or any hanging roll-up blinds, vertical blinds or curtains of any materials.~~
- i. ~~Hanging pots or decorations hung from any part of the pergola are limited and must have Board approval.~~
2. a. ~~The pergola may be constructed on an existing or newly constructed patio with or without patio enclosed walls. The existing support areas of the patio must meet all City of Seal Beach building code requirements of cement foundation to support the structure safely with proper mountings and footings. Vertical supports must be anchored to patio floor and not be outside the patio footprint. All existing patios must have been constructed with rebar enforced floor tied into the foundation of the building and a monolithic pour.~~
- b. ~~The pergola's top surface of the structure must be below all building end rafter to allow access to the eaves of the building. No portion of the pergola may encroach into the attic end rafter to allow access to the eaves of the building. No trees or plants will be removed to accommodate the pergola. The pergola cannot encroach into any mutual sidewalk or common area.~~
- c. ~~No wood, wood composite or other materials requiring painting may be used in the construction of the pergola. Alumawood may be used.~~
3. a. ~~It is the total responsibility of the shareholder to maintain the appearance of the pergola. The shareholder must provide cleaning of the pergola to insure that all debris and accumulated dirt is removed to assure the original clean appearance of the pergola.~~

MUTUAL OPERATIONS

PHYSICAL PROPERTY

Patio and Porch and Pergola Area Regulations – Mutual Nine

~~b. Any time the Mutual paints the building the shareholder will be financially responsible for all additional costs incurred by the painting contractor's need to provide extra care or materials to paint around the pergola.~~

~~c. When routine maintenance of any area around the pergola is required and additional care or materials including removal of part or entire structure are required to make the repairs the additional cost will be borne by the shareholder, (i.e., yearly dry rot and termite repairs.)~~

~~d. It is the total responsibility of the shareholder to carry the proper liability insurance as stated in the Mutual Patio Policy 7415.09.~~

~~e. Upon sale of the unit, if the new buyer does not choose to sign the legal agreement to carry the liability insurance and abide by all the terms of the Patio Policy 7415.9 or if the new buyer does not want the pergola, the structure must be removed and any damage to the building or patio must be repaired to its original condition, with the total cost to be borne by the seller or the seller's estate.~~

~~4. a. All cost associated with the pergola must be borne by the Shareholder.~~

~~b. Mutual 9 shall not be held liable for any damage to the existing structure, patio, pergola, or Mutual property caused by the addition of the pergola.~~

~~c. Permits need to be board approved~~

**Attachment:**

- ~~• 7415.9A – Agreement to Patio and Porch Area Regulations~~

MUTUAL ADOPTION AMENDMENTS

NINE: ~~10-10-16~~ ~~11-13-17, 09-14-20~~

**SEAL BEACH MUTUAL NO. NINE****Resident Regulations****ADOPT****Patio, Porch, and Pergola Area Regulations**

1 The purpose of this policy is to provide guidelines for the building and maintenance of patios  
 2 and porches that are user friendly, increase the value to the Mutual, and improve the  
 3 aesthetics of the shareholders' units in Mutual Nine (9). Also it addresses the need to meet  
 4 applicable Fire Codes and the safety of each family  
 5

**1. Definition of Terms:**

- 6
- 7
- 8 **1.1.** A patio is any surface other than garden material that is attached or adjacent to  
 9 the outside wall structure of the unit's structure.
- 10 **1.2.** A porch is the space under the roof of the structure open to the outside or  
 11 enclosed from the weather.
- 12 **1.3.** A porch and patio can be built as a continuous structure, will be considered and  
 13 maintained as a patio and or porch with this policy.
- 14 **1.4.** Transfer of title shall have the same meaning as used for determination of  
 15 when a California transfer tax on real property is assessed by the State of  
 16 California.  
 17

**2. Stipulations for Existing Patios**

- 18
- 19
- 20 **2.1.** All currently installed patios and porches will be considered as allowed.  
 21 However, the following patio and porch use: "rules and maintenance  
 22 requirements must be adhered to".
- 23 **2.2.** At the time of transfer of title or sale of a unit with a patio or porch, the buyer  
 24 must agree to manage, maintain, and insure the cost of the patio or it shall be  
 25 removed at the seller's cost. The new buyer/transferee **must sign the pre-**  
 26 **inspection, permit and occupancy agreement provided by GRF, at the**  
 27 **time of purchase.** ~~the License and Indemnity Agreement provided by the~~  
 28 ~~Mutual Nine Board.~~ Remodels of existing patios must comply with this patio  
 29 and porch policy in its entirety.  
 30

**3. Patio Approval Process**

- 31
- 32
- 33 **3.1.** All requests for patios must be submitted to the Golden Rain Foundation  
 34 (GRF) Physical Property Department at least three (3) weeks prior to a  
 35 regularly scheduled Mutual Nine (9) Board Meeting. The GRF Physical  
 36 Property Inspector must submit the plan for approval to the Board of Directors  
 37 at least two (2) weeks prior to a regularly scheduled Board Meeting.
- 38 **3.2.** Patio plans must be drawn to be easily understood with dimensions and must  
 39 include the walls, wall caps, fences, and no lockable gates.



**SEAL BEACH MUTUAL NO. NINE**

**Resident Regulations**

**ADOPT**

**Patio, Porch, and Pergola Area Regulations**

80 window spaces must be kept clear at all times to facilitate emergency exit and  
81 entrance to and from the unit.

82 **4.7.** No patio addition or porch may have an access door/gate that locks. A door  
83 outside in the patio or porch without direct access into your unit is not considered  
84 an entry door and many not lock.

85 **4.8.** A 5-inch cement mowing strip is required where the patio is adjacent to a grass  
86 area.

87 **4.9.** Any changes or deviations from the approved plans must be submitted to the  
88 Board of Directors and approved prior to implementation.

89 **4.10.** Mutual Nine will provide a disclosure to all new shareholders stating that their  
90 patios might have been built over sewer, water, electrical, or other types of  
91 utilities that the potential to require access or relocation and that this could  
92 require removal of all or a portion of the patio at the owner’s expense. This  
93 disclosure must be signed by the selling shareholder and it will be provided to  
94 the purchasing shareholder with the Licensing and Indemnity Agreement.

95 **4.11.** Shareholders shall bear any and all costs of the patio including the maintenance  
96 of the patio, sprinkler relocation, grass replacement, tree replacement, and  
97 flower bed repairs. As a condition of patio approval, the shareholder must obtain  
98 and maintain liability covering any and all lawsuits involving the patio. The  
99 shareholder must agree and sign the Licensing and Indemnity Agreement  
100 provided by the Mutual.

101  
102 **5. Patio and Porch Use: Rules and Maintenance Requirements**

103  
104 **5.1.** Patio and Porch items appropriate for patio and porch outdoor usage such as  
105 chairs and lounges with cushions are allowed. Storage boxes designed for patio  
106 and porch use may not exceed 4 feet in width by 6 feet in length and

107  
108 SHALL not exceed the height of the wall/fence. Patio sheds must be made of  
109 plastic, resin or polyurethane (not wood or metal).

110 **5.2.** Patios and Porch areas must be kept free of clutter. If there is a question whether  
111 clutter exists, the question will be decided by a vote of the Board.

112 **5.3.** Barbeques may be kept on patios and porches and must be used according to  
113 the barbeque **Rule 09-7427-1** Barbeque, Open Flame Devices– Usage and  
114 General Safety Precautions. Charcoal burning barbeques are NOT permitted.

115 **5.4.** Pets must not be left unattended on patios and porches.

116 **5.5.** **NOT ALLOWED**: Pet doors giving pet’s free access to and from patios and  
117 porches are NOT allowed.

118 **5.6.** Potted plants may be kept on patio/porch walls. Plants may not be in nursery  
119 pots. Pots must have a water retention base and not allow water to drain on the

(Sept 2021)

**GOLDEN RAIN FOUNDATION Seal Beach, California**

**SEAL BEACH MUTUAL NO. NINE****Resident Regulations****ADOPT****Patio, Porch, and Pergola Area Regulations**

120 patio/porch wall. Potted plants from the base of the pot to the top of the plant  
 121 may not exceed 48 inches in height. A maximum number of potted plants on the  
 122 **original mutual owned** patio/porch wall may not exceed 1 in every 4 feet of the  
 123 patio/porch wall.

124 **5.7.** No more than 2 small/medium self-propelled vehicles scooters/wheelchairs.

125 **5.8.** Patio and Porch Décor:

126 **5.8.1.** Screens, panels, or drapes to block the sun must be of outdoor fire-  
 127 retardant fabric and must be maintained.

128 **5.8.2.** Obscene objects hanging or stationary are prohibited.

129 **5.9.** Prohibited activities consist of any workshop causing noise, odor, unsightliness,  
 130 and/or unhealthy conditions. Be guided by the “occasional hobby-oriented”  
 131 activity rather than an ongoing business or any activity considered to be a  
 132 nuisance to neighbors. Contact the Board by sending a letter to the Secretary  
 133 for information and guidance.

134 **5.10.** Patios and Porches may NOT be converting into a storeroom. Items permitted  
 135 for storage must be enclosed.

136 **5.11.** Any item in, on, or built into or onto a patio or porch in conflict with this policy  
 137 must be removed by the shareholder after 10 days of written notification. If the  
 138 item is not removed after the 10-day period, the Mutual will have the right to  
 139 remove the item at the shareholder’s expense.

140 **5.12.** An enclosed patio or porch may not function as a bedroom, kitchen or storage  
 141 closet.

142 **5.13.** A refrigerator or freezer in working condition plugged directly into wall socket is  
 143 permitted only on the PORCH area of a NON expanded unit and located so as  
 144 it does not impede passage nor detracts from the ambiance of the building.

145 **5.14.** A washer or a dryer or a stacking washer and dryer may be installed inside the  
 146 PORCH ONLY of an NON expanded unit and must be in an enclosed storage  
 147 cabinet. A permit must be obtained for the installation of these appliances and  
 148 all codes relating to electrical and, if, applicable, plumbing and ventilation must  
 149 be adhered to.

150 **5.15.** Items NOT permitted on patios and porches overnight and or stored are:  
 151 Newspapers, magazines, paper, plastic bags, cardboard, any type of open food  
 152 containers, including pet food, flammable chemicals, laundry hung airing or  
 153 drying, non-working refrigeration or freezers, nursery for growing plants, saws,  
 154 vacuum cleaners/rug shampoo machines, permanent pet kennels, dog runs,  
 155 electric or gas golf carts, gas operated tools or equipment, spas or hot tubs,  
 156 Extension cords strung across patio, or extended use of extension cords is not  
 157 permitted. Shelving may not be supported/anchored off the building walls.

158 **5.16.** Hot tubs, fire pits or heaters, Jacuzzis, saunas dry or wet, spas, pools, barbeque  
 159 islands, green houses, game tables, exercise equipment, hobby centers or work

(Sept 2021)

**GOLDEN RAIN FOUNDATION Seal Beach, California**

**SEAL BEACH MUTUAL NO. NINE**

**Resident Regulations**

**ADOPT**

**Patio, Porch, and Pergola Area Regulations**

160 benches and any and all items that are free standing and better suited for a  
161 backyard or enclosed room are not permitted.  
162

163 **6. Pergola Patio Additions (End Units Only)**  
164

165 **6.1.** The addition of a pergola to an existing permitted end unit patio or a newly  
166 constructed end unit patio must meet all the existing Mutual 9 regulations as  
167 stated in the Mutual 9 Patio Rule 09-7415-1. Pergolas are not permitted on  
168 interior patios: units B – E and H – K.

169 **6.1.1.** Prior to any Mutual approval, construction, materials used and all  
170 structural mounting must meet all City of Seal Beach building codes  
171 and GRF Physical Properties Department requirements. Only  
172 approved GRF and Mutual Contractors can be used to construct the  
173 Pergola.

174 **6.1.2.** Plans for the proposed pergola must be submitted to the Mutual 9  
175 Board of Directors along with a detailed architectural rendering by a  
176 contractor who is licensed, insured, and approved by the GRF  
177 Physical Properties Department and Mutual 9 Board.

178 **6.1.3.** The pergola must be site specific, determined by the Mutual Board on  
179 a case by case basis to be blended into the aesthetic plan of the total  
180 existing area

181 **6.1.4.** No electric outlets are to be installed or incorporated on the pergola.

182 **6.1.5.** No electric overhead fans, misters, extension cords or lights may be  
183 used on the pergola.

184 **6.1.6.** No coverings of any type may be placed on the rafters of the pergola,  
185 including all solid materials, screens, or shade cloth of any type

186 **6.1.7.** No permanent screening may be used on the pergola, including  
187 framed screens, or any hanging roll-up blinds, vertical blinds or  
188 curtains of any materials.

189 **6.1.8.** Hanging pots or decorations hung from any part of the pergola are  
190 limited and must have Board approval.

191 **6.2.** The pergola may be constructed on an existing or newly constructed patio with  
192 or without patio enclosed walls. The existing support areas of the patio must  
193 meet all City of Seal Beach building code requirements of cement foundation to  
194 support the structure safely with proper mountings and footings. Vertical  
195 supports must be anchored to patio floor and not be outside the patio footprint.  
196 All existing patios must have been constructed with rebar enforced floor tied into  
197 the foundation of the building and a monolithic pour.

198 **6.2.1.** The pergola’s top surface of the structure must be below all building  
199 end rafter to allow access to the eaves of the building. No portion of

**SEAL BEACH MUTUAL NO. NINE**

**Resident Regulations**

**ADOPT**

**Patio, Porch, and Pergola Area Regulations**

- 200 the pergola may encroach into the attic end rafter to allow access to
- 201 the eaves of the building. No trees or plants will be removed to
- 202 accommodate the pergola. The pergola cannot encroach into any
- 203 mutual sidewalk or common area.
- 204 **6.2.2.** No wood, wood composite or other materials requiring painting may
- 205 be used in the construction of the pergola. Alumawood may be used
- 206 **6.3.** It is the total responsibility of the shareholder to maintain the appearance of the
- 207 pergola. The shareholder must provide cleaning of the pergola to insure that all
- 208 debris and accumulated dirt is removed to assure the original clean appearance
- 209 of the pergola.
- 210 **6.3.1.** Any time the Mutual paints the building the shareholder will be
- 211 financially responsible for all additional costs incurred by the painting
- 212 contractor's need to provide extra care or materials to paint around the
- 213 pergola.
- 214 **6.3.2.** When routine maintenance of any area around the pergola is required
- 215 and additional care or materials including removal of part or entire
- 216 structure are required to make the repairs the additional cost will be
- 217 borne by the shareholder, ( i.e., yearly dry rot and termite repairs.)
- 218 **6.3.3.** It is the total responsibility of the shareholder to carry the proper
- 219 liability insurance as stated in the Mutual Patio Rule 09-7415-1.
- 220 **6.3.4.** Upon sale of the unit if the new buyer does not choose to sign the legal
- 221 agreement to carry the liability insurance and abide by all the terms of
- 222 the Patio Rule 09-7415-1 or if the new buyer does not want the
- 223 pergola, the structure must be removed and any damage to the
- 224 building or patio must be repaired to its original condition, with the total
- 225 cost to be borne by the seller or the seller's estate.
- 226 **6.4.** All cost associated with the pergola must be borne by the Shareholder.
- 227 **6.4.1.** Mutual 9 shall not be held liable for any damage to the existing
- 228 structure, patio, pergola, or Mutual property caused by the addition of
- 229 the pergola.
- 230 **6.4.2.** Permits need to be board approved.

**Document History**

Adopted: 13 Sept 2021 Amended:

**Keywords:** Patio Porches Pergolas Regulations

231

# *Mutual Corporation No. Nine*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO RATIFY AMENDED RULE 09-7560-1 - LEASING RULES AND REGULATIONS (UNFINISHED BUSINESS, ITEM D)  
**DATE:** OCTOBER 11, 2021  
**CC:** MUTUAL FILE

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I move to ratify amended Rule 09-7560-1 Leasing Rules and Regulations; the 28-Day posting has been met.

**SEAL BEACH MUTUAL NO. NINE**

**Shareholder Regulations**

**Leasing Rules and Regulations**

1 The Board of Directors (“Board”) of Seal Beach Mutual No. Nine (“Mutual”) has adopted the  
2 following Leasing Rules and Regulations (“Leasing Rules”) in accordance with Civil Code  
3 §4740, et seq., to establish certain procedural rules for the rental of Units within the Mutual.  
4 To the extent that these Leasing Rules conflict with the Governing Documents of the Mutual,  
5 these Leasing Rules are intended to replace and supersede the provisions of the Mutual’s  
6 Governing Documents, including without limitation, the Occupancy Agreement, Rules and  
7 Regulations and Policies, that discuss the rental or lease of a Unit. These Leasing Rules  
8 were revised and adopted by the Board to comply with the changes to California Civil Code  
9 §§ 4740 and 4741 which take effect on January 1, 2021, pursuant to California Assembly Bill  
10 3182.

11  
12 **DEFINITIONS**

13  
14 For the purposes of these Leasing Rules the definitions set forth below shall apply. To the  
15 extent any term is capitalized herein but not defined, the definition set forth in the Mutual’s  
16 Bylaws shall apply.

17  
18 **Lease:** a lease or rental agreement, whether or not in writing and regardless of whether any  
19 consideration is paid, entered into between a Shareholder and a Tenant for the Tenant’s  
20 occupancy of the Shareholder’s Unit.

21  
22 **Tenant:** any person who: (i) meets the age requirements set forth in California Civil Code  
23 Section 51.3, et seq.; and (ii) occupies any portion of a Unit at the Development pursuant to a  
24 Lease, irrespective of any rent paid or compensation given to the Shareholder of the Unit for  
25 such occupancy. All Tenants must sign the Addendum as further described in these Leasing  
26 Rules. Only persons who have signed the Addendum may reside in the Unit.

27  
28 **Rules and Regulations**

- 29  
30 **1. Leasing of Units.** The rental or leasing of any Unit shall be subject to the provisions set  
31 forth herein. When the term “rent” is used herein, it shall be deemed to mean and  
32 include the rental and/or leasing of a Unit.  
33  
34 **2. Residential Purpose.** Each residence shall be used only as a residential dwelling for a  
35 single household. A Shareholder may rent/lease his or her Unit for such residential  
36 purpose under a Lease, pursuant to these Leasing Rules. The number of persons  
37 residing in a Residence at any time shall comply with the Shareholder’s Occupancy  
38 Agreement and Addendum, all City and County codes, regulations, and ordinances  
39 regarding the occupancy of residential dwellings, and may not exceed any occupancy  
40 limits established under such codes, regulations, or ordinances.

(SEP 20)

**GOLDEN RAIN FOUNDATION Seal Beach, California**

**SEAL BEACH MUTUAL NO. NINE**

**Shareholder Regulations**

**Leasing Rules and Regulations**

- 41 **3. Addendum to Occupancy Agreement.** Any Shareholder approved by the Mutual to  
42 lease out his/her Unit is required to execute an addendum to his/her Occupancy  
43 Agreement (“Addendum”). Such Addendum will also require the signature of each  
44 Tenant. The failure of the Shareholder and/or the Tenant to sign the Addendum shall be  
45 deemed a waiver of the Shareholder’s right to rent the Unit.  
46
- 47 **3.1. Cost of Addendum.** Shareholder shall pay the cost incurred by the Mutual for  
48 the Mutual’s legal counsel to prepare such Addendum, in addition to the cost to  
49 have the Addendum notarized and recorded, if required by the Mutual,  
50 promptly upon request.  
51
- 52 **4. Restriction on Number of Units Leased**  
53
- 54 **4.1.** No more than twenty-five percent (25%) of the Units in the Mutual shall be  
55 rented at any time (the “Leasing Cap”).  
56
- 57 **4.2.** A Shareholder desiring to rent his or her Unit may submit to the Board a written  
58 request for approval to rent. No Shareholder shall rent his or her Unit prior to  
59 receiving written approval from the Board.
- 60 **4.2.1.** The Board shall respond to any Shareholder’s written request for  
61 approval to rent the Shareholder’s Unit within thirty (30) days of the  
62 Board’s receipt of such request. If the Board does not respond to the  
63 Shareholder’s written request at the Shareholder’s last known  
64 address of record within this time period, permission to rent shall be  
65 deemed to have been approved by the Board.
- 66 **4.2.2.** The Board shall deny a Shareholder’s request for approval to rent  
67 the Shareholder’s Unit if the number of rented Units, plus the number  
68 of Units for which other Shareholders have received Board approval  
69 to rent but which are not yet rented, plus the Shareholder’s Unit (the  
70 “Leased Unit Calculation”) exceeds twenty-five percent (25%) of the  
71 Units in the Mutual. If the Leased Unit Calculation does not exceed  
72 twenty-five percent (25%) of the Units in the Mutual, the Board shall  
73 grant a Shareholder’s request for rental approval.
- 74 **4.2.3.** In the event a Shareholder’s request for approval to rent is denied,  
75 the Shareholder shall be placed on a waiting list maintained by the  
76 Mutual, and the Shareholder shall be given an opportunity to rent his  
77 or her Unit when such Shareholder’s name is first on the waiting list  
78 and the Leased Unit Calculation no longer exceeds twenty-five  
79 percent (25%) of the Units in the Development.
- 80 **4.2.4.** If a Shareholder who has been approved to rent his or her Unit fails  
81 to rent his or her Unit within ninety (90) days of the date of rental

(SEP 20)

GOLDEN RAIN FOUNDATION Seal Beach, California

**SEAL BEACH MUTUAL NO. NINE**

**Shareholder Regulations**

**Leasing Rules and Regulations**

approval, the Shareholder’s written approval to rent from the Board shall expire. In such event, the Shareholder shall be required to submit a new written request to rent his or her Unit in accordance with the foregoing provisions.

**4.2.5.** Is a Lease for an approved rental of a Shareholder’s Unit expires or terminates and the Shareholder does not enter into a new Lease for the Shareholder’s Unit within ninety (90) days of the expiration or termination of the prior Lease, the Shareholder’s written approval to rent shall expire. In such event, the Shareholder shall be required to submit a new written request to rent his or her Unit in accordance with the foregoing provisions.

**4.2.6.** At no time may a prospective Shareholder or any non-Shareholder be added to the Wait List.

**5. Lease Requirements**

**5.1.** Subject to the Leasing Cap, and the provisions set forth above, a Shareholder may rent his or her Unit pursuant to a Lease that is: (A) in writing; (B) for a term of at least thirty (30) days (the “Minimum Lease Term”); and (C) subject in all respects to the Governing Documents, including, but not limited to, the Occupancy Agreement, provided it does not conflict with the terms contained herein.

**5.2.** The Shareholder is required to provide the Tenant with a copy of all Governing Documents, and any amendments thereto for the duration of the tenancy and Lease and ensure that the Tenant understands and acknowledges and agrees to be bound by the same. The Shareholder must provide the Mutual with written confirmation of the foregoing. The Lease shall include a statement that any failure by the Tenant to comply with the Governing Documents will constitute a default under the Lease. The following paragraph, or a substantially similar paragraph, shall be included in each Lease: “In accepting this Lease, Tenant acknowledges that Tenant has received, read, and understands Occupancy Agreement for Unit \_\_\_\_, dated \_\_\_\_, and any addendum thereto, and the Bylaws, rules, regulations, and policies of Seal Beach Mutual No. Nine (the “Governing Documents”). Tenant agrees to comply with the terms of the Governing Documents, and acknowledges that any failure by Tenant, or Tenant’s family members, social guests, houseguests, servants, employees, or agents, to comply with the terms of the Governing Documents shall constitute a material default under this Lease and may result in the early termination of this Lease.”

(SEP 20)

**GOLDEN RAIN FOUNDATION Seal Beach, California**

**SEAL BEACH MUTUAL NO. NINE**

**Shareholder Regulations**

**Leasing Rules and Regulations**

- 123           **5.3.**     No less than the entirety of a Unit may be rented under a Lease, or otherwise.  
124                     Notwithstanding the foregoing, one (1) roommate paying rent to a Shareholder  
125                     may reside simultaneously with a Shareholder in the Shareholder's Unit. Any  
126                     roommate contemplated under this Section 5.3 must also meet all  
127                     requirements of a Tenant as set forth in these Leasing Rules, including without  
128                     limitation, all age requirements set forth in California Civil Code Section 51.3, et  
129                     seq.
- 130
- 131           **5.4.**     No sub-rental of a Unit shall be permitted, and no Unit may be used for  
132                     vacation rentals (for example only, listed on Airbnb, VRBO or a similar website)  
133                     or rented to a corporate housing company.
- 134
- 135           **5.5.**     No Unit may be leased for hotel or transient purposes.
- 136
- 137           **5.6.**     The Lease must provide that upon the notice of intent to transfer Stock, the  
138                     Lease shall terminate, and the Tenant must vacate the premises and remove  
139                     all personal property within thirty (30) days. The transfer of Stock cannot take  
140                     place unless and until Tenant has vacated the Unit.
- 141
- 142           **5.7.**     Each Shareholder shall be responsible for any and all violations of the  
143                     Governing Documents committed by any Tenant, or any guest or invitee of  
144                     Tenant, of the Shareholder's Unit.
- 145
- 146           **5.8.**     Each Shareholder shall be deemed to have agreed to save, hold harmless,  
147                     indemnify, and defend the Mutual and its Directors, officers, agents,  
148                     representatives, attorneys and employees from and against any and all claims,  
149                     demands, actions, causes of action, liabilities, damages, and expenses arising  
150                     out of, or incurred as a result of, the rental/leasing of the Shareholder's Unit,  
151                     together with all costs, expenses, and actual attorneys' fees resulting  
152                     therefrom.
- 153
- 154           **5.9.**     Tenant must acknowledge the Mutual's right to initiate an unlawful detainer  
155                     action against the Shareholder in the event: (1) the Tenant fails to abide by the  
156                     terms of the Mutual's Governing Documents and the Shareholder fails to  
157                     initiate an unlawful detainer action within thirty (30) days of notice from the  
158                     Mutual Board of the same; and/or (2) the Shareholder's Share of Stock is  
159                     terminated. Any expenses and attorney's fees incurred by the Mutual, shall be  
160                     paid as set forth in Section 7.1.2 of these Leasing Rules.

161

162     **6.     Exemptions; Enforcement**

163

(SEP 20)

**GOLDEN RAIN FOUNDATION Seal Beach, California**

**SEAL BEACH MUTUAL NO. NINE**

**Shareholder Regulations**

**Leasing Rules and Regulations**

- 164           **6.1.**       Upon application by a Shareholder to rent his or her Unit, the Board shall be  
165 authorized and empowered, in its sole and reasonable discretion, to grant a  
166 hardship exemption for the Shareholder with respect to the Leasing Cap. For  
167 purposes of this subsection, a “hardship” shall be defined as the need of a  
168 Shareholder to rent his or her Unit as a result of an unforeseeable event and/or  
169 because enforcement of the Leasing Cap, against the Shareholder could  
170 reasonably subject the Shareholder to suffer a severe financial difficulty.  
171
- 172           **6.2.**       If a Shareholder rents his or her Unit without approval from the Board, or  
173 otherwise in violation of the provisions of these Leasing Rules, the Mutual is  
174 authorized to pursue all of its available legal rights and remedies against the  
175 Shareholder to enforce such violation and the Shareholder shall be subject to  
176 disciplinary measures, including, but not limited to: (a) a monetary penalty in an  
177 amount to be determined by the Board; (b) other disciplinary measures; (c)  
178 termination of the Occupancy Agreement; (d) injunctive relief; and/or (e) a  
179 Reimbursement Assessment in an amount equal to the costs incurred by the  
180 Mutual related to addressing such violation, including, without limitation,  
181 attorneys' fees and costs, irrespective of whether the Mutual is able to obtain a  
182 court order to evict the Tenant or otherwise effectuate the legal eviction of the  
183 non-compliant Shareholder and/or Tenant from the Shareholder's Unit.  
184
- 185       **7.       Notwithstanding anything to the contrary contained in these Leasing Rules,** the  
186 Leasing Cap shall not apply to: (a) any Shareholder exempted from the Leasing Cap  
187 under the Davis-Stirling Act; and (b) the Mutual Unlawful Detainer.  
188
- 189           **7.1.**       Failure by a Shareholder to take legal action, including the institution of  
190 unlawful detainer proceedings to evict such Shareholder’s Tenant, who is in  
191 violation of the Mutual’s Governing Documents, including without limitation, the  
192 Articles, Occupancy Agreement and/or Addendum thereto, Bylaws, Rules and  
193 Regulations, or Policies, within ten (10) days after receipt of written demand so  
194 to do from the Board, shall constitute a default of the Shareholders Occupancy  
195 Agreement and/or Addendum thereto and entitle the Mutual, through the  
196 Board, to take any and all such action necessary, including without limitation,  
197 declaring forfeiture/termination of the Shareholder’s Occupancy Agreement,  
198 and the institution of unlawful detainer proceedings against the Shareholder to  
199 recover possession of the Unit.  
200
- 201           **7.2.**       In any such unlawful detainer action against the Shareholder, the Mutual will  
202 seek an award of its attorney’s fees and costs incurred in connection with the  
203 same pursuant to the Occupancy Agreement and/or Addendum thereto. Any  
204 other expenses incurred by the Mutual in connection with the enforcement of

(SEP 20)

**GOLDEN RAIN FOUNDATION Seal Beach, California**

**SEAL BEACH MUTUAL NO. NINE**

**Shareholder Regulations**

**Leasing Rules and Regulations**

205 these Leasing Rules, including attorney’s fees, shall be repaid to it by such  
206 Shareholder. Failure by such Shareholder to make such repayment within (10)  
207 days after receipt of a written demand therefor shall entitle the Board to levy a  
208 Special Assessment against such Shareholder and such Shareholder’s Unit for  
209 all such expenses incurred by the Mutual.  
210

211 **7.3.** The authority granted by this Section 7 shall be cumulative with all other rights  
212 and remedies of the Mutual in enforcing its Governing Documents.  
213

214 **8. Shareholder Liability.** Shareholder shall be absolutely liable to the Mutual and other  
215 Shareholders and their families, guests, tenants, and invitees for any liability arising  
216 from the acts/or omissions of such Shareholder’s Tenant. Each Shareholder who  
217 chooses to lease such Shareholder’s Unit agrees to be held liable for all acts, whether  
218 negligent or non-negligent of such Shareholder’s Tenant and/or any guests or invitees  
219 of Tenant.  
220

221 **9. Assignment of Rents**  
222

223 **9.1. Assignment of Rents.** Each Shareholder who is leasing or renting his or her  
224 Unit to a Tenant or Tenants hereby assigns to the Mutual all of the rents and  
225 any other income now due or which may become due to Shareholder pursuant  
226 to the Lease for the Shareholder’s Unit (the “Rents”), together with any and all  
227 rights and remedies which the Mutual may have against the Tenant or Tenants,  
228 or others in possession of the Unit, for the collection or recovery of the Rents  
229 so assigned. Such assignment shall be effective only upon the Shareholder’s  
230 failure to pay any Assessment within thirty (30) days after the due date, and  
231 under no other circumstances, if the Mutual accepts such assignment.  
232

233 **9.2. Process to Effectuate Assignment of Rents.** An assignment of rents  
234 pursuant to these Leasing Rules shall only be effective if it complies with the  
235 requirements of Section 2938 of the Civil Code and any other applicable law.  
236 Any costs and fees incurred by the Mutual in effectuating an assignment of  
237 rents pursuant to these Leasing Rules shall be considered a cost of collection  
238 of delinquent Assessments, for which the applicable Shareholder shall be  
239 responsible.  
240

241 **9.3. Mutual Not a Landlord.** The exercise and enforcement of the Mutual’s rights  
242 under these Leasing Rules shall in no way constitute the Mutual as a landlord  
243 or lessor under any Lease, and the Mutual shall have no such responsibility.  
244 Each Shareholder hereby agrees to indemnify, defend, and hold harmless the  
245 Mutual and its Directors, officers, agents, representatives, employees, and

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**GOLDEN RAIN FOUNDATION Seal Beach, California**

**SEAL BEACH MUTUAL NO. NINE**

**Shareholder Regulations**

**Leasing Rules and Regulations**

attorneys, as may be applicable, from and against any and all claims by a Tenant or any third party that the Mutual failed to fulfill the duties of landlord or lessor under any Lease for the Shareholder’s Unit.

**9.4. Payment of Rents to Mutual.** Each Shareholder irrevocably consents that the Tenant or Tenants under a Lease for the Shareholder’s Unit, upon receiving from the Mutual notice of an assignment of rents pursuant to these Leasing Rules, shall pay the Rents to the Mutual without incurring any liability for the failure to determine the actual existence of any Assessment delinquency claimed by the Mutual. Each Shareholder further agrees that such Tenant or Tenants shall not be liable to the Shareholder for nonpayment of the Rents to the Shareholder for Rents paid to the Mutual pursuant to these Leasing Rules. The full amount of the Rents received by the Mutual shall be applied to the Shareholder’s account; however, application of the Rents to particular Assessments and charges owed by the Shareholder to the Mutual shall be at the Mutual’s discretion to the extent not dictated by law.

**9.5. Mutual Powers Upon Default.** The Mutual may at any time pursue legal action against a Shareholder and/or the Shareholder’s Tenant or Tenants for, or otherwise seek collection of, any Rents not paid to the Mutual pursuant to these Leasing Rules. The Mutual shall deduct from the Rents received in any such action the costs and expenses of collection, including, but not limited to, reasonable attorney’s fees.

**9.6. Termination of Payment of Rents to Mutual.** The Mutual may continue receiving Rents assigned directly from the Tenant or Tenants of a Shareholder’s Unit until any unlawful detainer action against the subject Unit is completed by the Mutual, or until the amount of money owed to the Mutual by the Shareholder, including Assessments, late charges, interest, and collection costs, including reasonable attorney’s fees, is paid in full, whichever occurs first.

**10. Shareholder Insurance Requirements**

**10.1. Property Damage and General Liability Insurance.** Each Shareholder is responsible for insuring his or her personal property located within the Mutual. Each Shareholder is also responsible for insuring all buildings, structures, and other Improvements contained within or located upon the Shareholder’s Unit (including, but not limited to the Shareholders’ Residences) against fire and other casualty. Nothing in this Restate Declaration precludes any Shareholder from carrying public liability insurance as he or she may deem reasonable,

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**GOLDEN RAIN FOUNDATION Seal Beach, California**

**SEAL BEACH MUTUAL NO. NINE**

**Shareholder Regulations**

**Leasing Rules and Regulations**

287 however, such insurance coverage may not adversely affect or diminish any  
288 coverage under any of the Mutual’s insurance policies. If any loss intended to  
289 be covered by insurance carried by or on behalf of the Mutual occurs and the  
290 proceeds payable are reduced due to insurance carried by a Shareholder, such  
291 Shareholder shall assign the proceeds of the Shareholder’s insurance to the  
292 Mutual, to the extent of such reduction, for application to the same purposes as  
293 the reduced proceeds are to be applied.

294  
295 **10.2. Renter’s and Landlord’s Insurance.** A Shareholder whose Unit is subject to a  
296 Lease shall require as a term of the Lease that the Tenant is required, at all  
297 times during the Tenant’s tenancy and occupancy of the Shareholder’s Unit, to  
298 obtain and maintain “renter’s insurance” of no less than fifty thousand dollars  
299 (\$50,000.00), insuring, including without limitation, the Tenant for general  
300 liability, property damage, and the replacement value of the Tenant’s personal  
301 property and belongings located in the Unit from damage and loss. Such  
302 Shareholder shall also be required to maintain “landlord’s insurance” during the  
303 period of the Lease, under an insurance policy that covers the Shareholder’s  
304 Unit from financial losses connected with the Unit; such policy shall cover  
305 standard perils such as fire, and, to the extent commercially available, include  
306 coverage for accidental damage, malicious damage by tenants, and rent  
307 guarantee insurance.

308  
309 **10.3. Proof of Insurance.** Duplicate copies of the insurance policies required under  
310 these Leasing Rules shall be submitted by a Shareholder to the Board upon  
311 request. Notwithstanding the foregoing, the Mutual shall not have the obligation  
312 to confirm that any Shareholder or Tenant carries the insurance required under  
313 these Leasing Rules and/or confirm the terms of any insurance purchased by a  
314 Shareholder or Tenant.

315  
316 **10.4. Lack of Insurance.** The Mutual shall not be responsible for any damage or  
317 loss to a Shareholder’s Unit, another Unit, or the Common Area for which the  
318 Shareholder is responsible, and the Shareholder does not maintain sufficient  
319 insurance coverage for the cost of repair and restoration of such damage or  
320 loss. Any failure by the Tenant to have renter’s insurance shall be regarded as  
321 a material breach of the Lease.

322  
323 **11. Tenant Eligibility**

324  
325 **11.1. No Discrimination.** No Shareholder shall execute or cause to be recorded any  
326 instrument that imposes a restriction on the rental or occupancy of the  
327 Shareholder’s Unit on the basis of race, color, religion, sex, gender, gender

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GOLDEN RAIN FOUNDATION Seal Beach, California

**SEAL BEACH MUTUAL NO. NINE**

**Shareholder Regulations**

**Leasing Rules and Regulations**

identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, or genetic information, nor shall any Shareholder discriminate against or harass any prospective Tenant, or Resident of the Shareholder’s Unit because of such bases. Notwithstanding the foregoing, selection preferences based on age in the rental of a Shareholder’s Unit, imposed in accordance with Section 51 of the Civil Code or a federally approved housing program, as may be applicable, shall not constitute age discrimination.

**11.2. Criteria for Eligibility.** All Tenants must meet the criteria for membership eligibility set forth in the Mutual’s Governing Documents, specifically the Occupancy Agreement and by the Golden Rain Foundation, as the same may be amended from time to time.

**12. Board’s Right to Impose Additional Rules and Regulations.** The Board retains the right to establish and enforce additional Rules and Regulations to implement the leasing restrictions contained in these Leasing Rules.

**13. Tenant Not Entitled to Take Over Rights of Shareholders.**

**13.1. Mutual Meetings and Events.** Tenants may not participate in, or attend, meetings of the Mutual, including without limitation, any townhall meeting, open Board meeting, or any event intended only for the Shareholders of the Mutual.

~~**13.2.** Tenant is not Permitted to have overnight guests.~~

**13.3.** Except in the case of an emergency, Tenants shall not contact the Directors of the Mutual, or any vendor of the Mutual, including without limitation any employees or representatives of the GRF, for any maintenance or security related issues. Tenants must contact the Shareholder-landlord for any non-emergency maintenance issues.

**14. Forfeiture of Shareholder Rights.** Shareholder cannot utilize any common areas of the Mutual, including without limitation, laundry rooms, if Shareholder elects to lease out his/her Unit to a Tenant. All current Shareholders privileges with respect to the use of common areas within the Mutual are forfeited once the Shareholder enters into a Lease with a Tenant.

**15. Background and Credit Checks.** Shareholder may conduct a background check and a credit check prior to entering into a lease agreement with a Tenant. Should the Shareholder decide to conduct a background check and a credit check, upon demand

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**GOLDEN RAIN FOUNDATION Seal Beach, California**

**SEAL BEACH MUTUAL NO. NINE**

**Shareholder Regulations**

**Leasing Rules and Regulations**

369 by the Board, Shareholder must present the Board with a copy of the results of the  
370 background check and the credit check within ten (10) days of such request.

371  
372 **16. Documents to Mutual. Within ten (10) days of execution of a Lease between a**  
373 **Shareholder and Tenant, the Shareholder must provide to the Mutual:**

374  
375 **16.1. Lease.** The Shareholder shall provide the Mutual with a copy of the executed  
376 Lease.

377  
378 **16.2. Tenant Contact Information.** The telephone number and e-mail address, if  
379 applicable, of the Tenant, and information related to any vehicle of the Tenant,  
380 including the make, model, color, and license plate number.

381  
382 **16.3. Shareholder Contact Information.** The telephone number and any change in  
383 address of the Shareholder.

384  
385 **17. Fine Policy of the Mutual.** Pursuant to the Mutual’s Governing Documents, the  
386 Shareholder will be called to a hearing for any Tenant violations of the Governing  
387 Documents, and the Mutual Board will determine what disciplinary measures and/or  
388 monetary fines to levy against Shareholder.

389 **18. Overnight Guests.** Guest occupancy is permitted for a maximum period of sixty (60)  
390 calendar days per year, per request, solely in conjunction with the occupancy by a  
391 Tenant.

392

**Document History**

Adopted: 09 Nov 20

**Keywords:** Mutual Resident Leasing Lease Regulations  
Nine

393

# Mutual Corporation No. Nine

## MEMO

**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO AUTHORIZE TRANSFERS OF FUNDS FOR MUTUAL NINE (NEW BUSINESS, ITEM A)  
**DATE:** OCTOBER 11, 2021  
**CC:** MUTUAL FILE

I move that the Board authorizes the following transfers of funds, per detailed and dated resolution, by consent calendar.

<i>Transfer/ Invoice Date</i>	<i>Amount</i>	<i>Originating/Destination Accounts or Payee</i>
08/31/2021	\$10,381.00	Invoice # 0049 Check # 11309 to Four Stars Landscape
09/07/2021	\$171,100.12	ACH - Direct Debit from Multiple Shareholders to US Bank Checking
09/07/2021	\$95,955.03	US Bank Checking to GRF – US Bank Checking
09/08/2021	\$62,413.82	US Bank Checking to US Bank Impound
09/21/2021	\$47,426.41	US Bank Checking to US Bank Restricted Money Market
09/21/2021	\$15,000.00	US Bank Non- Restricted Money Market to US Bank Checking

# *Mutual Corporation No. Nine*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO APPROVE MUTUAL MONTHLY FINANCES (NEW BUSINESS, ITEM B)  
**DATE:** OCTOBER 11, 2021  
**CC:** MUTUAL FILE

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I move to acknowledge that, per the requirements of Civil Code Section 5500(a)-(f), a review has been completed of the Mutual's 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, income and expense statement for the Mutual's operating and reserve accounts, the check registers, the monthly general ledger and delinquent assessment receivable reports, for the month of September 2021.

# *Mutual Corporation No. Nine*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO RESCIND POLICY 7510.09 – ELIGIBILITY REQUIREMENTS (NEW BUSINESS, ITEM C)  
**DATE:** OCTOBER 11, 2021  
**CC:** MUTUAL FILE

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I move to rescind Policy 7510.09 - Eligibility Requirements on a preliminary basis until the 28-day posting has been completed. The policy will be ratified at the next scheduled meeting and take effect if the Board receives no comments.

**MUTUAL OPERATIONS****RESCIND****RESIDENT REGULATIONS****Eligibility Requirements – Mutual Nine**

Any person or persons jointly seeking approval of the Board of Directors of Seal Beach Mutual No. Nine to purchase a share of stock in the Mutual, and to reside in the Mutual, shall meet the following eligibility criteria:

~~A. Apply for and be accepted as a member of the Golden Rain Foundation, Seal Beach, California.~~

~~B. Meet the Mutual eligibility criteria as follows:~~

~~1. Age~~

~~Minimum of 55 years, as confirmed by a birth certificate or passport. A driver's license is not acceptable as proof of age.~~

~~2. Financial Ability~~

~~a. Verified monthly income that is at least five (5) times or greater than the monthly carrying charge (Regular GRF and Mutual Assessment plus Property Tax and Fees) at the time of application, and have liquid assets of at least \$50,000 over the purchase price. Verified monthly income/assets can be verified by any combination of the following and may be in the form of:~~

- ~~1. Tax returns for the past two years;~~
- ~~2. 1099s for interest and dividends for the past two years. *(Assets used to purchase unit will not be included in income calculations);*~~
- ~~3. 1099-Rs for retirement income from qualified plans and annuities for the past two years;~~
- ~~4. SSA-1099 Social Security Benefit Statement for the past two years;~~
- ~~5. Brokerage statements and current interim statement for the past two years. *(Assets used to purchase unit will not be included in income calculations);*~~
- ~~6. At least the most recent six months' worth of checking/savings account statements *(assets used to purchase unit will not be included in income calculations).*~~

~~b. Adjusted Gross Income per 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; *(assets used to purchase unit will not be included in income calculations)* minus income tax, Social Security, Medicare, and self-employment taxes paid; and minus Medicare medical insurance and~~

**MUTUAL OPERATIONS****RESCIND****RESIDENT REGULATIONS****Eligibility Requirements – Mutual Nine**

~~prescription drug premiums; all divided by twelve (12) will equal net monthly income to be used in paragraph 2.a. above.~~

- ~~c. 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% of the sales price plus Orange County District fees divided by 12 for the new projected monthly assessment. This new figure (Regular Assessment plus Orange County Property Taxes and District Fees) times five (5) will be the monthly income required. This will be verified by the escrow company and the Stock Transfer Office. Stock Transfer shall have the final say in establishing verifiable income.<sup>1</sup>~~

~~Verification shall be done by the Escrow Company and the Stock Transfer Office for each proposed shareholder(s) prior to the new buyer orientation and prior to the close of escrow (the above verification will not be done by the individual Mutual Directors; Directors will not be required to study or understand the financial requirements).~~

- ~~d. Only the residential shareholder's income shall be considered for qualifying.~~
- ~~e. If moving within Leisure World, or if there are any additions/changes to the title, the proposed shareholder(s) must meet these eligibility requirements.~~
- ~~f. A credit check will be provided by the new buyer, with the results included in the financial package.~~

~~3. Health~~

~~Have reasonably good health for a person of his/her age, so that shareholder can take care of normal living needs. Leisure World is not a skilled nursing home facility, an assisted living facility, nor an independent living facility (see individual Mutual requirements).~~

~~C. Assume, in writing, the obligations of the "Occupancy Agreement" in use by the Mutual Corporation.~~

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~~<sup>1</sup> If major remodeling, expansion, or addition of a bathroom is being considered, the increase in taxes over the 1.2% of the purchase price must be taken into consideration.~~

**MUTUAL OPERATIONS****RESCIND****RESIDENT REGULATIONS****Eligibility Requirements – Mutual Nine**

~~Officers or Committees of the Board of Directors designated to approve new applicants are responsible that the eligibility criteria of this corporation is equitably applied to all applicants. Approval or disapproval of buyer(s) must be received by the Stock Transfer Office at least ten (10) working days prior to the close of escrow.~~

**MUTUAL    ADOPTION****NINE:**    05-20-70**AMENDMENTS**

09-13-93, 09-08-08, 1-11-16, 03-21-18

# *Mutual Corporation No. Nine*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO ADOPT PROCEDURE 06-7510-3 - ELIGIBILITY REQUIREMENTS (NEW BUSINESS, ITEM D)  
**DATE:** OCTOBER 11, 2021  
**CC:** MUTUAL FILE

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I move to adopt Procedure 09-7510-3 - Eligibility Requirements.

**SEAL BEACH MUTUAL NO. NINE**

**RESIDENT REGULATIONS**

**Eligibility Requirements**

Any persons seeking approval of the Board of Directors of Seal Beach Mutual No. Nine to purchase a share of stock in the Mutual, and to reside in the Mutual, shall meet the following eligibility criteria:

Apply for and be accepted as a member of the Golden Rain Foundation, Seal Beach, California.

**1. MEET THE MUTUAL ELIGIBILITY CRITERIA AS FOLLOWS:**

**1.1. Age**

**1.1.1.** Minimum of 55 years, as confirmed by a birth certificate, or passport. A driver’s license is not acceptable as proof of age.

**1.2. Financial Ability**

**1.2.1. Income**

**1.2.1.1.** Verified monthly income that is at least five (5) times or greater than the monthly carrying charge (Regular GRF and Mutual Assessment plus Property Tax and Fees) at the time of application and have liquid assets of at least \$50,000 over the purchase price. Verified monthly income/assets can be verified by any combination of the following and may be in the form of.

- Tax returns for the past two years
- 1099s for interest and dividends for the past two years. (Assets used to purchase unit will not be included in income calculations;
- 1099-Rs for retirement income from qualified plans and annuities for the past two years;
- SSA-1099 Social Security Benefit Statement for the past two years.
- Brokerage statements and current interim statements for the past two years. (Assets used to purchase unit will not be included in income calculations);
- At least the most recent six months’ worth of checking/savings account statements (assets used to purchase unit will not be included in income calculations).

**1.2.1.2.** Adjusted Gross Income per 1040, 1040A, or 1040EZ; plus that portion of Social Security, IRA distributions, and

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**GOLDEN RAIN FOUNDATION Seal Beach, California**

**SEAL BEACH MUTUAL NO. NINE**

**RESIDENT REGULATIONS**

**Eligibility Requirements**

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pensions and annuities not included in adjusted gross income; plus tax exempt interest; (assets used to purchase unit will not be included in income calculations) minus income tax, Social Security, Medicare, and self-employment taxes paid; and minus Medicare medical insurance and prescription drug premiums; all divided by twelve (12) will equal net monthly income to be used in Section 1.2.1.1 above.

**1.2.1.3.** 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% of the sales price plus Orange County District fees divided by 12 for the new projected monthly assessment. This new figure (Regular Assessment plus Orange County Property Taxes and District Fees) times five (5) will be the monthly income required. This will be verified by the escrow company and the Stock Transfer Office. Stock Transfer shall have the final say in establishing verifiable income<sup>1</sup>.

Verification shall be done by the Escrow Company and the Stock Transfer Office for each proposed shareholder(s) prior to the new buyer orientation and prior to the close of escrow (the above verification will not be done by the individual Mutual Directors; Directors will not be required to study or understand the financial requirements).

**1.2.1.4.** Only the residential shareholder’s income shall be considered for qualifying.

**1.2.1.5.** If moving within Leisure World, or if there are any additions/changes to the title, the proposed shareholder(s) must meet these eligibility requirements.

**1.2.1.6.** A credit check will be provided by the new buyer, with the results included in the financial package.

**1.3. Health**

**1.3.1.** Have reasonably good health for a person of his/her age, so that shareholder can take care of normal living needs. Leisure World is not a skilled nursing home facility, an assisted living facility, nor an independent living facility (see individual Mutual requirements).

1 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.

(Oct 21)



# *Mutual Corporation No. Nine*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO GO OUT FOR GUTTER CLEANING BIDS (NEW BUSINESS, ITEM E)  
**DATE:** OCTOBER 11, 2021  
**CC:** FILE

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I move to approve to have Physical Property to go out for three Gutter Cleaning bids.

# *Mutual Corporation No. Nine*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO RATIFY PHONE POLL TAKEN ON SEPTEMBER 23,2021(NEW BUSINESS, ITEM F)  
**DATE:** OCTOBER 11, 2021  
**CC:** FILE

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I move to ratify Phone Poll taken on September 23,2021, regarding Unit 09-232G, to split the cost 50/50 between Mutual 09 and the shareholder, for a new oven.

# *Mutual Corporation No. Nine*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO APPROVE MUTUAL 09 GARAGE RENTALS AND CABINET RENTALS (NEW BUSINESS, ITEM G)  
**DATE:** OCTOBER 11, 2021  
**CC:** FILE

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I move to approve Mutual 09's Garage Rentals and Cabinet Rentals to streamline the payment process.

# *Mutual Corporation No. Nine*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO APPROVE MUTUAL 09'S ANNUAL MEETING DATE AND TIME IN MAY 2022. (NEW BUSINESS, ITEM H)  
**DATE:** OCTOBER 11, 2021  
**CC:** FILE

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I move to approve to have Mutual 09's Annual Meeting on the 4<sup>th</sup> Friday of May which is May 27, 2022, at 10 a.m.

# *Mutual Corporation No. Nine*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO AMEND POLICY 7502.9 – CARPORT REGULATIONS (NEW BUSINESS, ITEM I)  
**DATE:** OCTOBER 11, 2021  
**CC:** FILE

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I move to amend Policy 7502.9 – Carport Regulations on preliminary basis until the 28-day posting period has been completed. The policy will be ratified at the next scheduled meeting and take effect if the Board received no comments.

**MUTUAL OPERATIONS****SHAREHOLDER REGULATIONS****Carport Regulations and Parking Rules****A. Carport Use**

1. Carports are to be used for parking of self-propelled land vehicles in operating condition. Any stored items in the carports must be completely contained in the carport cabinets except as noted below. All vehicles must have a current DMV registration and sufficient insurance as mandated by the State of California Vehicle Code (CVC) § 22658 or a SBLW decal issued by the Golden Rain Foundation Security Department affixed and displayed on the lower left windshield, depending on the type of vehicle.
2. Any vehicle that is in non-compliance with these rules may be towed at the owner's expense as specified in CVC § 22658 and in towing Policy 7582.
3. Current fire regulations prohibit the storage of fuel oil or any combustible material in the carport areas.
4. All vehicles, when parked in the carports, must be headed in.
5. In accordance with the Seal Beach Municipal Code 9.20.010, any vehicle leaking oil, anti-freeze, or any other hazardous material is prohibited from parking in a Mutual carport or on a Mutual street or driveway. It is the shareholder's responsibility to clean up any hazardous material. If the Mutual needs to have them cleaned up, the shareholder will be billed for the cleaning. All hazardous waste materials, including kitty litter used for cleanup, must be disposed of at an Orange County-approved hazardous waste site.
6. Carport space may not be rented out to anyone who is not a Mutual Nine shareholder and a member in good standing of the Golden Rain Foundation.
7. Bicycles or tricycles in operating condition and a folding grocery cart may be placed under the cabinets in the shareholder's assigned or rented space. Other vehicles in operating condition, including motorcycles, mopeds, electric carts, bicycles and tricycles, must not be parked between self-propelled land vehicles because that would infringe upon another shareholder's vehicle space. If the shareholder is not using the carport space for an automobile, the space may be used for bicycles or tricycles, but they must be removed on carport cleaning day. Ladders may be hung or placed beneath the shareholder's storage cabinet.
8. At each inspection of the carports by the staff of the Physical Property Department, notice will be given to each shareholder found in violation stating that the improperly stored items must be removed within ten (10) days or the items will be removed at the shareholder's expense.

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**MUTUAL OPERATIONS****SHAREHOLDER REGULATIONS****Carport Regulations and Parking Rules**

9. Installation of a power outlet in the carport for charging small (non-highway) electric carts is no longer permitted. A registered, fee paying shareholder who already has a power outlet in their carport space can be “grandfathered in” only for charging one cart that the shareholder already owns or a replacement cart that can be charged at the existing outlet. The outlet shall be removed at the end of that shareholder’s occupancy.
10. Any damages sustained to the carport are the responsibility of the shareholder.

**B. Carport Assignments**

1. Carport assignments are controlled by the Mutual Corporation and a record of assignments is kept in the Stock Transfer Office of the Golden Rain Foundation.
2. Any vehicle parked in a carport must bear a current vehicle decal issued by the Seal Beach Leisure World Security Department (except as stated in B. 4.).
3. No person shall park any vehicle in any carport not assigned to him/her without permission from the Mutual Board of Directors (procedure stated in B. 4.) or a temporary visitor form on the dash (B. 6.). Mutual Nine shareholders desiring to change carport assignments must obtain approval of the Mutual Board of Directors so that the change can be properly recorded in the Stock Transfer Office.
4. The request for carport re-assignment, if approved, is only temporary and is valid only so long as both participating parties agree to the temporary change. One party determining to withdraw from the agreement may do so as may the successor owner of that party’s unit. The Mutual Corporation retains, at all times, the authority to revoke and cancel this temporary change of carport assignment, at its discretion. The reassignment of carport spaces, herein provided, will automatically become null and void in the event of a sale of the stock representing either unit, with absolutely no exceptions to the rules herein provided.
5. Carport space or storage space may not be rented to or used by anyone who is not a Mutual Nine shareholder and a member in good standing of the Golden Rain Foundation.
6. A shareholder may allow temporary, short-term parking of a vehicle used by a houseguest in their assigned carport during and not to exceed the visitors permitted 60-day stay in any one year period. A form available from a Director or Stock Transfer must contain the beginning and ending dates the vehicle will be parked and the shareholder’s name and unit number shall be placed on the driver’s side of the

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**MUTUAL OPERATIONS****SHAREHOLDER REGULATIONS****Carport Regulations and Parking Rules**

- vehicle's dashboard to be read outside the vehicle.
7. Shareholders are permitted to have a secondary carport storage cabinet installed beneath the existing cabinet. Approval must be obtained from the Mutual Board of Directors and the GRF Physical Property Department prior to installation. The dimensions, color, and hardware on the lower cabinet must match the spacing, color, and hardware on the upper cabinet (see attached sketch SK001 and SK002). The cabinet, if attached to the existing structure or not, will require a permit from the GRF Physical Property Department.
  8. ALL Plywood for the cabinet must be  $\frac{3}{4}$ -inch thick, treated for termite resistance, and have at least one good side which shall be on the exterior of the cabinet. A standard 60-inch concrete or plastic wheel stop shall be installed far enough from the cabinet to protect it from being hit by a parked vehicle's front bumper. Cabinet may not extend beyond the front edge of the concrete slab under the existing cabinet and may enclose all or a portion of the area beneath the existing upper cabinet. Any vehicle parked in a carport with secondary cabinets installed must not extend beyond the carport drip line.
  9. The cabinet to be added requires a Licensed contractor if the cost is over \$500. If the cost is under \$500, the shareholder or Handyman registered with the GRF Physical Property Department may install the cabinet and must follow the GRF Physical Properties Contractors Rules & Regulations. Both the Shareholder and Licensed Contractor Requirements for General Liability Insurance, Additional Insured Endorsement(s), and Workers Compensation Insurance if applicable. Unless otherwise authorized by the Mutual Board of Directors no work will be permitted on weekends or holidays according to the GRF Physical Property Contractor Rules & Regulations. A prefabricated plastic cabinet built and designed for outdoor use may be submitted for approval.
  10. Any shareholder who installs a secondary carport storage cabinet without Board approval and a permit from the Physical Property Department must, upon receipt of a written notice of violation, cure that violation within ten (10) days (the "cured period"). If the violation is not cured within the cure period, the cabinet will be removed and any resulting damage to the carport repaired at the shareholder's expense.
  11. At sale or transfer the new shareholder must accept responsibility for the cabinet or it must be removed and any resulting damage to the carport repaired at seller's expense.
  12. Any other construction which involves the Mutual's carports, walls, floors, beams or ceilings is not permitted.

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**MUTUAL OPERATIONS****SHAREHOLDER REGULATIONS****Carport Regulations and Parking Rules****C. Mutual Driveway/Roadway Restrictions**

1. The speed limit on all Mutual 9 streets are 10 miles per hour. All vehicles must park in the direction traffic flows. Parking on Mutual 9 driveways **follows the GRF Policy 80-1937-1:** is limited to 2 hours, 30 minutes in green zones and is not allowed in the red zones or yellow loading zones. **Blue Zone (Handicapped): Vehicles must display a valid, government-issued disabled (handicapped) license plate or placard. Green Zone: Parking may not exceed twenty (20) minutes.**

**EXCEPTION:**

- **Unlimited time parking in a Green Zone is permitted only when the vehicle is displaying a valid government-issued disabled license plate or placard.**
  - **White Zone: Immediate passenger loading and unloading only.**
  - **Yellow Zone: Vehicle loading and unloading only not to exceed 20 (twenty) minutes.**
  - **Unpainted: Parking is permitted to 72 hours unless otherwise restricted.**
2. Mutual Nine shareholder RVs may park on driveways up to 48 hours for loading and unloading only. Visitor and vacation RVs may ONLY park on Trust streets and at Clubhouse 4 designated lot as permitted in GRF's Policy 1920.

**D. Inoperable or Leaking Vehicles**

1. Inoperable, wrecked, unlicensed, or vehicles leaking fluids may not be brought into or parked on Mutual Nine property. Mutual Nine requests that GRF not allow such vehicles to be parked within 10 feet of Mutual Nine property.
2. Mutual Nine shareholders are responsible for prompt and thorough removal of any leaking fluids or spills that they or their visitors have caused.

**E. Towing Vehicles**

Pursuant to Clause (1) of subparagraph (E) of paragraph (1) of subdivision (1) of Section 22658 of the California Vehicle Code:

The Security Department is hereby authorized by the Board of Directors of Mutual Nine to cause the REMOVAL AND TOWING OF A VEHICLE WHICH IS PARKED ON ANY MUTUAL NINE PROPERTY LOCATED WITHIN 15 FEET OF A FIRE HYDRANT OR IN A FIRE LANE,  
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**MUTUAL OPERATIONS****SHAREHOLDER REGULATIONS****Carport Regulations and Parking Rules**

OR IN A MANNER WHICH INTERFERES WITH AN ENTRANCE OR EXIT FROM THE PRIVATE PROPERTY, so long as such towing conforms to the other provisions of said Section 22658.

The Security Department is further authorized to cause the removal and towing of a vehicle that is in violation of Seal Beach Mutual No. Nine policies on Mutual No. Nine property when authorized by a majority vote of a Board quorum in compliance with CA Civil Code §4910-4925 of the Davis-Stirling Open Meeting Act and signed by the Mutual President and one other Officer.

Mutual Nine relies on the assurance of the Golden Rain Foundation that appropriate signage is and will continue to be posted at all shareholder entrances to the Seal Beach Leisure World community and that all vehicle code reporting and notice requirements will be met.

Any towing that results from this authorization will be at the vehicle owner's expense in conformity with the provisions of Section 22658.

**F. Sidewalk Traffic**

1. Gasoline-powered vehicles are prohibited from using sidewalks in this Mutual. Exceptions shall be limited to the following:
  - a. Emergency medical vehicles belonging to the Health Care Center
  - b. Service vehicles designated for sidewalk use belonging to the GRF
  - c. Service vehicles designated for sidewalk use belonging to contractors or vendors doing business with shareholders or the Mutual Nine Corporation
2. Due to potential safety hazards, Mutual Nine shareholders and their visitors may not use roller skates, roller blades, or skateboards on Mutual Nine property.
3. Except for employees working in Leisure World, visitors residing outside Leisure World may ride bicycles or tricycles on Mutual Nine sidewalks or streets only if accompanied by a shareholder.
4. No vehicle may be parked on any Mutual Nine walkway. (Exceptions for vehicles listed in F. 1. when necessary.)

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5. Mutual Nine shareholders parking their electric carts at their unit must park on the charging pad. (Policy 7425.09 – Garden Areas, Trees, Shrubs, Turf Areas, Item 5.

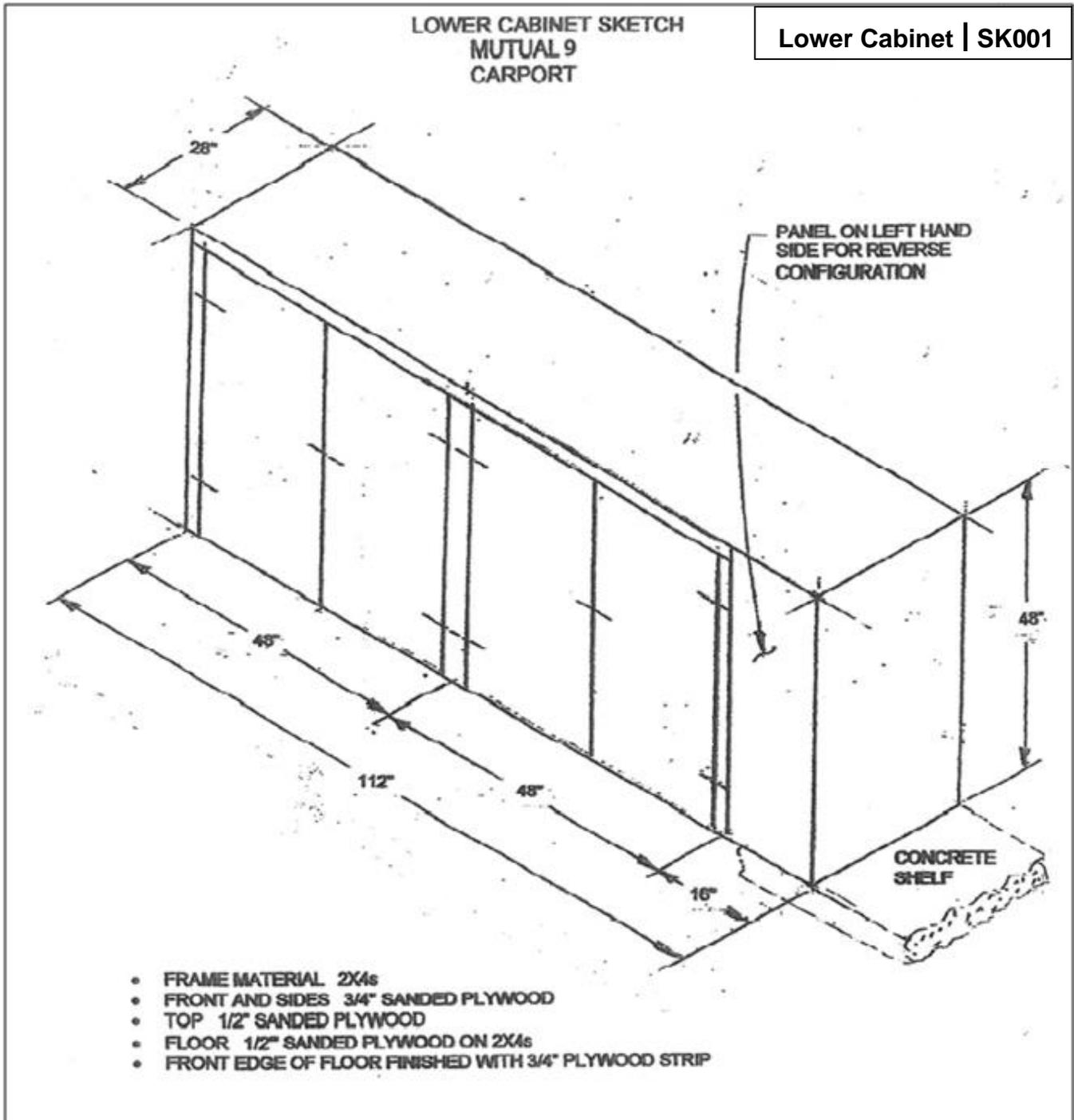
**G. Enforcement**

1. Remedies to cure violations of this policy will be determined by the Mutual Nine Board of Directors as permitted by the governing documents and applicable law and may include fines.
2. The Mutual Nine Board of Directors, Mutual Administration, Physical Property, and Security will provide warnings or citations and follow through as needed when approved by the Mutual Nine Board.
3. Security may remove a parking decal from a Mutual Nine vehicle on Mutual Nine property when the shareholder is in violation of GRF Policy 1920 or 1920.1 but only after informing the shareholder and the Mutual Nine President in person, by phone, e-mail or certified letter and providing the shareholder, when possible, an opportunity to cure the violation.
4. Inclusions and exclusions of GRF Policy 4090 noted in Policy 7581.12 – Enforcement of Traffic Regulations are reflected in this policy. To the extent of any conflict between GRF Policy 1920 or 1920.1 and this policy, Mutual Nine Policy 7502.9 – Carport Regulations and Common Area Traffic Policy shall prevail on Mutual Nine Corporation property.

MUTUAL OPERATIONS

SHAREHOLDER REGULATIONS

Carport Regulations and Parking Rules



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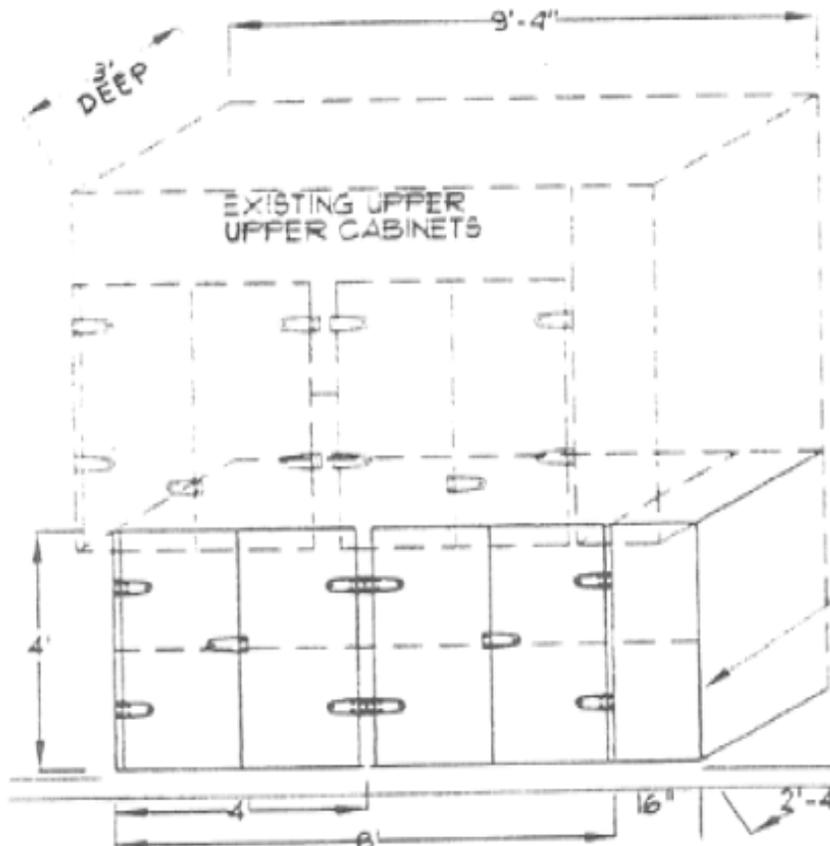
MUTUAL OPERATIONS

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**Upper Cabinet | SK002**

CARPORIT CABINET SKETCH



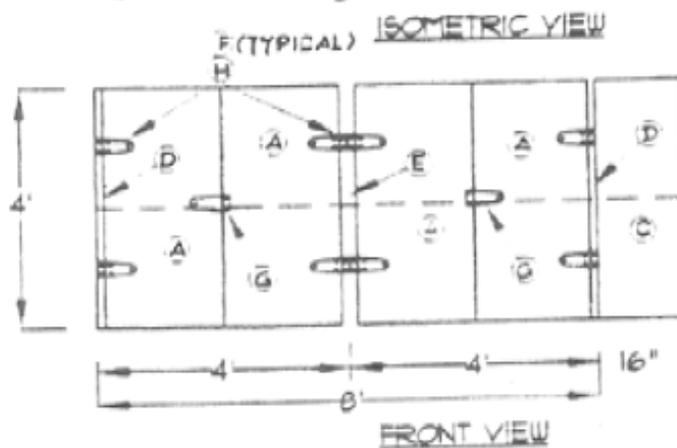
NOTE:  
16" SIDE PANEL WHEN CABINET MOUNTED ON RIGHT SIDE WALL  
REVERSE PANEL WHEN ON LEFT SIDE AND BOTH PANELS REQUIRED IF NOT MOUNTED AGAINST SIDE WALL

CONCRETE SHELF

BILL OF MATERIAL

- A. 6 EA 2"X4" 3/4" PLY HANDY PANEL BC
- B. 2 EA 2"X8" 3/4" PLYWOOD CDX
- C. 1 EA 16"X4" PLY HANDY PANEL BD CUT FROM A. ABOVE
- D. 2 EA 1"X4" PLY STRIPS FOR HINGES
- E. 1 EA 2"X4" CENTER STRIP FOR HINGES
- F. 8 EA STANLEY HINGES 14-2610
- G. 2 EA STANLEY 75-5204 ZINC PLATED 3 1/2" LOCKING KEY HASP SET
- H. 60 3/32"X3/4" PLATED PHILLIPS HEADCADMIUM PLATED SCREWS

NOTE:  
PLACE A STANDARD 60" CONCRETE OR PLASTIC WHEEL STOP



MUTUAL OPERATIONS

## SHAREHOLDER REGULATIONS

Carport Regulations and Parking Rules**CONTRACTOR REQUIREMENTS**

(CONTRACTORS EARNING \$5,000 OR MORE FOR ANY SINGLE PROJECT)

Contractor shall submit (and keep current) the following documentation to the Physical Property Department:

1.  Business card
2.  Photocopy of Contractor's License (wallet size)
3.  Photocopy of City of Seal Beach Business License (May be obtained when pulling 1<sup>st</sup> City Permit)
4.  Federal Tax ID Number: \_\_\_\_\_ or W-9
5.  Certificate of Insurance noting a thirty (30) day Notice of Cancellation.
- A)  Insurance Carrier Rating  
Insurance Carriers shall be "A RATED or BETTER" by AM Best Insurance Rating standards
- B)  General Liability Insurance  
\$1,000,000 combined single limits  
Bodily Injury & Property Damage  
 Inclusive of:  
Premises/Operations  
Owners & Contractors Protective  
Products/Completed Operations  
Personal Injury
- C)  Additional Insured Endorsement(s)  
Separate endorsement(s) shall name both entities listed below as **Additional Insured**. Additional Insured status coverage shall include Ongoing and Completed Operations.  
Golden Rain Foundation  
Seal Beach Mutuals 1 - 17
- D)  Workers Compensation Insurance  
Statutory (~~Employers Liability~~) - \$1,000,000 minimum limits, or as required by the State of California
- E)  Workers' Compensation Waiver of Subrogation Endorsement applicable in California  
A separate endorsement waiving subrogation against Golden Rain Foundation and Mutuals 1-17 for losses arising from work performed by or on behalf of the named insured.
- F)  Auto Liability Insurance  
\$1,000,000 combined single limits, Bodily injury & Property Damage.  
Inclusive of: Scheduled and/or, non-owned/hired Auto's (minimally)
6.  EPA Lead Renovation, Repair and Painting Certificate.
7.  Asbestos - Contractors are responsible for any and all testing and abatement necessary to comply with code.
8.  An Orientation Meeting must be scheduled with the Physical Property Supervisor prior to final approval.
9.  Invoices Mail:  
Golden Rain Foundation or Seal Beach Mutual 1-17  
Attn: Accounts Payable  
PO Box 3519  
Seal Beach, CA 90740  
Email: [grfan@lwsb.com](mailto:grfan@lwsb.com)

10. Are Sub contractors going to be utilized?  Yes  No

If yes, contractor hereby confirms that all sub-contractor(s) utilized by said contractor shall comply with the insurance requirements set herein prior to commencement of work. Contractor shall be responsible to ensure that its authorized representatives, employees, agents and any parties doing work on contractor's behalf, are in compliance with listed requirements.

11. Confirmation of acceptance of terms:

I hereby agree to comply with and maintain all requirements as stated above.

Company \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

The Certificate of Insurance shall be mailed, e-mailed and/or faxed to:

Golden Rain Foundation and Mutuals 1-17  
Physical Property Department  
P.O. Box 2069  
Seal Beach, CA 90740-4344  
562-431-8586, Ext. 352  
562-431-5316-Fax  
[sharonh@lwsb.com](mailto:sharonh@lwsb.com)

**IF YOUR INSURANCE BROKER/CARRIER REQUIRES CLARIFICATION OF THESE REQUIREMENTS, PLEASE  
HAVE THEM CONTACT DLD INSURANCE AT 949-553-5696  
MARIA SANDUCCI AT [MSANDUCCI@DLDINS.COM](mailto:MSANDUCCI@DLDINS.COM)**

**MUTUAL OPERATIONS****SHAREHOLDER REGULATIONS****Carport Regulations and Parking Rules**

POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY  
CG 20 10 07 04**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****ADDITIONAL INSURED – OWNERS, LESSEES OR  
CONTRACTORS – SCHEDULED PERSON OR  
ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

## SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):	Location(s) Of Covered Operations

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

**B. With respect to the insurance** afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

CG 20 10 07 04

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**MUTUAL ADOPTION**

NINE: 01-13-97

**AMENDMENT(S)**

04-14-14, 09-14-15, 01-09-17, 08-14-17, 10-11-21

(Oct 21)