

SEAL BEACH MUTUAL NO. FOURTEEN

Rules and Regulations



**SEAL BEACH MUTUAL NO. FOURTEEN
RULES AND REGULATIONS**

November 19, 2024

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SEAL BEACH MUTUAL NO. FOURTEEN**Rules and Regulations****1. ARTICLE I – GOVERNANCE AND CORPORATE STRUCTURE****1.1. Section 1.1 – Governance.**

Seal Beach Mutual No. Fourteen (14) is a stock cooperative housing corporation organized under the California Corporation Law (“Mutual”) and is a General California Corporation providing housing on a non-profit basis. The Mutual is comprised of 328 shares of stock. The Golden Rain Foundation is not a housing corporation, but a corporation that manages the shared community facilities. Each owner of a share of stock in the Mutual (hereinafter “Shareholder”) is a shareholder of the mutual as well as a member of the Golden Rain Foundation. The Mutual has its own set of governing documents, filed with the Secretary of State and transferred to each shareholder through escrow.

1.2. Section 1.2 – Senior Housing Development.

According to California Civil Code Section 51.3, in order to reside in a senior housing development at least one occupant must be 55 years of age or older; all other persons who reside must be at least 55 years of age, unless the other occupant is: (1) a spouse or registered domestic partner; or (2) a primary provider of physical health care. Any person wishing to reside in the community must meet the above qualifications and obtain prior approval from the Board of Directors.

1.3. Section 1.3 – Governing Documents.

The Mutual’s governing documents include these Rules and Regulations, the Articles of Incorporation, Bylaws, and an Occupancy Agreement between the Mutual and each Qualifying Resident (hereinafter collectively the “Governing Documents”). The Mutual leadership consists of a seven (7) member Board of Directors (hereinafter “Mutual Board”), elected by the shareholders of the Mutual.

1.4. Section 1.4 – Golden Rain Foundation.

The purpose of the Golden Rain Foundation (“GRF”) is to develop and maintain facilities and services, acting as Trustee of the Golden Rain Foundation. This includes recreational facilities, security gates, bus transportation system, and community center. One shareholder from the Mutual is elected to serve on the Board of Directors of the GRF.

1.5. Section 1.5 – Additional Definitions.

As used herein, the following terms shall have the meanings prescribed below.

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- 305 **1.5.1.** Qualifying Resident – “Qualifying Resident” shall mean any person
 306 who: (1) meets the age requirements as set forth in California Civil
 307 Code Section 51.3 et seq.; (2) has been approved by the Mutual
 308 Board for occupancy of a Unit, pursuant to the terms of the
 309 Governing Documents; (3) is a Shareholder of the Mutual; and (4)
 310 resides in a Unit.
- 311 **1.5.2.** Unit – “Unit” shall mean a dwelling unit owned by the Mutual, which
 312 a Qualifying Resident has the exclusive right to occupy pursuant to
 313 the Occupancy Agreement between the Mutual and Qualifying
 314 Resident.
- 315 **1.5.3.** Qualified Permanent Resident: Any person who meets the
 316 requirements as set forth in California Civil Code Section 51.3, et.
 317 seq.

2. ARTICLE II – RESIDENT REGULATIONS**2.1. Section 2.1 – Co-Occupant.**

322 The community facilities of the GRF are maintained for the use of members
 323 of GRF and Qualifying Residents of the Mutual(s), subject to the following
 324 exceptions:

2.1.1. Co-Occupants.

326 Co-occupants must vacate the unit within 90 days of the qualifying
 327 resident’s death.

328 **2.1.1.1.** Senior citizens, as defined in California Civil Code
 329 Section 51.3 (b)(1), who are not Shareholders of the
 330 Mutual, but are approved by the Mutual to reside with a
 331 Qualifying Resident, shall be entitled to use all of the
 332 community facilities upon payment of a fee equal to the
 333 Amenities Fee.

334 **2.1.1.2.** In order to comply with section 51.3 of the California Civil
 335 Code, the following people may reside in the Mutual: (i)
 336 a person who is 55 years of age or older; (ii) a person
 337 who has completed the Co-Occupant Application; (iii) a
 338 person who has written authorization from the Mutual
 339 President, or any Mutual Officer so designated by the
 340 Mutual President, to reside in the Unit; (iv) a person who
 341 has paid the required Amenities Fee to the GRF.

2.1.2. Qualified Permanent Residents.

343 Qualified Permanent Residents are persons who are not senior
 344 citizens as defined in Civil Code Section 51.3(b)(1), who can
 345 present proof that they are eligible to be classified as Qualified
 346 Permanent Residents under Civil Code Section 51.3(b)(2). Such

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Qualified Permanent Residents shall be entitled to use all of the community facilities upon payment of a fee equal to the Amenities Fee.

2.2. Section 2.2 – Personal Property Liability Insurance.

All Shareholders (whether residing in the Unit or not) must carry general liability insurance (either in the form of an HO6 policy or a renter's policy) with proper liability coverage. The general liability insurance policy shall cover the entirety of the contents within the Unit, any damage to the interior of the Unit, any damage to property owned by third parties, and any personal injury occurring in the Shareholder's Unit or adjacent property, for which the Shareholder is responsible. The general liability insurance policy requirements are set out below. The Shareholder shall: (1) Obtain and maintain a general liability insurance policy, at his/her/its sole expense; (2) Be liable for the cost of any deductible their policy has with respect to any claim for which a Shareholder is insured and is liable; and (3) Obtain general liability insurance in an amount sufficient to cover personal injury to other persons who may be injured in their Unit or on other property for which the Shareholder is responsible, but in no event less than \$300,000.00.

The Shareholder and/or Qualifying Resident must provide the Mutual with proof of insurance within thirty (30) days from the date the Qualifying Resident executes the Occupancy Agreement. The Shareholder is not relieved of any liability due to the Shareholder's failure to insure their property.

Notwithstanding any other provision in the Governing Documents, each Shareholder shall be liable for his/her/its own negligent or intentional actions resulting in damage to property or personal injury, including the cost of any Mutual insurance deductible that Shareholder causes the Mutual to incur. The Shareholder is solely responsible for the cost of any damage caused by his/her/its own negligent or intentional actions, including repairing or replacing any damage he/she/it causes to any personal property in the unit, including without limitation, furnishings, interior improvements, floor and wall coverings, appliances, fixtures and any damage to the unit, any other unit, or the building caused by water intrusion from whatever source, fire, or any other cause.

The Mutual shall only be responsible for the routine maintenance, repair, or replacement of Common Areas or facilities and for its own or its agents' and employees' negligent or intentional acts. Shareholder is responsible for any damage caused by the failure of Shareholder's standard fixtures, appliances and plumbing systems.

Although a Shareholder may be unable to occupy the Unit while repairs are

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being made, the Shareholder shall, nonetheless, be responsible for any living expenses incurred during repairs and the monthly assessment on the Shareholder's Unit regardless of who caused the damage. The Shareholder, may, however, be indemnified by any and all individuals and entities who are liable for the damage making the Unit inhabitable. (See Form 14-7586-4).

2.3. Section 2.3 – Inspection of Vacant Units.

Any vacant, unoccupied, or seasonal-use unit in Mutual Fourteen shall be inspected every ninety (90) days by a GRF Building Inspector and the Mutual director assigned to the respective building. Inspections shall be conducted during the months of January, April, July, and October. The inspection in October may be waived during the years that the Fire/Safety Inspection is conducted.

The inspection of vacant units for sale will not be posted. The inspection for unoccupied and seasonal-use units will be posted at least twenty-four (24) hours in advance of the inspection.

2.4. Section 2.4 – Smoking.

The Mutual No. Fourteen Occupancy Agreement ("Occupancy Agreement") provides that Shareholders shall not interfere with the rights of other residents and that Shareholders shall not commit or permit any nuisance within the Mutual.

The emission of secondhand smoke from devices including, but not limited to cigarettes, cigars, pipes, hookahs, or similar items, may create conditions that interfere with the use and enjoyment of other Shareholders and Qualifying Resident's units, thereby constituting a nuisance. Thus, all Shareholders, Qualifying Residents, guests, and invitees must comply with the following, regarding secondhand smoke within the Mutual:

2.4.1. Any Shareholder and/or a Qualifying Resident/occupant/guest within the Mutual who wishes to smoke any substance (such as cigarettes, cigars, pipes, and/or hookahs or similar items) outside of a Unit may not do so within twenty (20) feet of any residential buildings in Mutual 14. This includes all exterior patios, but not porches.

2.4.2. Any damages and/or liability arising from the emission of secondhand smoke in violation of this rule by a Shareholder and/or a Qualifying Resident/occupant/guest, will be borne by the Shareholder and/or Qualifying Resident of the offending Unit.

2.4.3. If any Shareholder or Qualifying Resident believes that s/he is entitled to an exception to any of these rules as a reasonable accommodation of a disability, s/he may submit such a request. All requests will be considered on a case-by-case basis.

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California Civil Code §5910 and §5915 provides that the Mutual Boards shall provide a “fair, reasonable and expeditious” procedure for resolving disputes between the Mutual and its members without charging a fee to the member participating in the process. The process is referred to as “Internal Dispute Resolution” (IDR) or “Meet and Confer.”

2.5.1. The Shareholder may request the Mutual Board to meet and confer in an effort to resolve a dispute. The request shall be in writing.

2.5.2. A Shareholder may refuse a request to meet and confer with the Board of Directors.

2.5.3. The Board of Directors shall designate a minimum of two (2) Board Directors to meet and confer with the Shareholder. The Shareholder may bring another person and/or legal representative to the meet and confer. The Shareholder must notify the Mutual if he/she is planning to bring another person and/or legal representative to the IDR. Should Shareholder fail to notify the Mutual of the attendance of another person and/or legal counsel, then the Mutual shall be entitled to reschedule the meeting time and date or such IDR.

2.5.4. The parties shall meet promptly at a mutually convenient time and place to explain their positions to each other in an effort to resolve any dispute.

2.5.5. Any proposed resolution of the dispute shall be memorialized in writing and brought to the next Mutual Monthly Meeting for the Board’s consideration and final approval.

2.5.6. All such IDRs are considered to be confidential and may only be discussed in Executive Session.

2.5.7. Any final agreement between the Board of Directors and the Shareholder shall be in writing and signed by all parties.

2.6. Section 2.6 – Health Care Providers (Permitted Health Care Residents/ Caregivers).

Pursuant to California Civil Code Section 51.3, a Qualifying Resident shall be entitled to have a Permitted Health Care Resident, if the qualifications set forth in Civil Code Section 51.3 are met. The Mutual also allows Qualifying Resident’s to have a Caregiver, if the qualifications set forth in the Mutual’s Governing Documents are met. The following are the requirements that must be met by a Permitted Health Care Resident and/or a Caregiver to provide services to a Qualifying Resident.

SEAL BEACH MUTUAL NO. FOURTEEN**Rules and Regulations****2.6.1. Permitted Health Care Residents.**

2.6.1.1. Definition. Pursuant to Civil Code Section 51.3, a Permitted Health Care Resident means a person hired to provide, or a family member of the Qualifying Resident providing, live-in, long-term, or terminal health care to a Qualifying Resident. The care provided by a Permitted Health Care Resident must be substantial in nature and must provide either assistance with necessary daily activities or medial treatment, or both. This person must be registered with GRF Stock Transfer.

2.6.1.2. Business License. The Mutual recommends that all Permitted Health Care Residents have a valid business license, issued by the City of Seal Beach and/or work for an agency with a valid business license, issued by the City of Seal Beach.

2.6.1.2.1 Exceptions to 2.6.1.2. A family member of a Qualifying Resident, who is acting in the capacity of a Permitted Health Care Resident is exempt from possessing a business license but must apply and receive a Permitted Health Care Resident pass and badge.

2.6.1.3. Driver's License. Any Permitted Health Care Residents providing health care to a Qualifying Resident in Mutual Fourteen must have a valid driver's license if driving a vehicle into Leisure World..

2.6.1.4. Pass and Badge Requirements. All Permitted Health Care Residents (including family members without a business license) as an individual, or through an agency, must apply and receive a Permitted Health Care Resident pass and clear badge holder through the GRF Stock Transfer Office. The Pass must: (1) be renewed every six (6) months; (2) be worn in clear sight at all times; and (3) may not be transferred or lent to anyone.

2.6.1.5. Permitted Health Care Resident's Use of Laundry Facilities.

2.6.1.5.1. Permitted Health Care Residents who serve as 24- hour caregivers, and live within the Qualifying Resident's Unit,

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may use washers and dryers for their personal use, but may not use the washers and dryers for other family members or friends.

2.6.1.5.2. Permitted Health Care Residents who do not live within the Qualifying Resident's Unit shall not use the washers and dryers for personal use and may only use laundry facilities for Qualifying Resident's laundry. Permitted Health Care Residents who do not live within the Qualifying Resident's Unit who use Mutual laundry facilities for their personal or family use will be permanently banned from the Mutual.

2.6.1.6. Qualifying Resident's Requirements. In order to establish that a Qualifying Resident requires live-in, long-term or terminal health care that is substantial in nature, providing either assistance with necessary daily activities, medical treatment or both, as set forth in Civil Code Section 51.3, the Qualifying Resident must present written documentation from a physician, stating that the care described herein, as set forth in Civil Code Section 51.3, is necessary. The written documentation must be on the physician's original letterhead and must be an original document.

2.6.1.7. Permitted Health Care Resident Actions. A Permitted Health Care Resident, as an invitee of the Qualifying Resident, must act in compliance with the Governing Documents of the Mutual, including without limitation, the Occupancy Agreement, the Bylaws, the Rules and Regulations and Policies of the Mutual at all times. Specifically, a Permitted Health Care Resident must cease any noise that could be considered disruptive (i.e. no loud televisions, radios, or talking, so as not to disturb the quiet enjoyment of other Qualifying Residents and Shareholders), between the hours of 10:00 p.m. and 8:00 a.m. Permitted Health Care Residents are not allowed to have guests or invitees, including without limitation, family members or friends, to the Unit or anywhere within the Mutual. Permitted

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Health Care Residents shall not bring any pets into the Mutual and/or Leisure World. Permitted Health Care Residents shall not utilize any Mutual and/or GRF community facilities

2.6.1.8. Permitted Health Care Resident Parking. If a Qualifying Resident does not own a vehicle, the Qualifying Resident's Permitted Health Care Resident may use the carport space associated with the Qualifying Resident's Unit, for purposes of parking their own vehicle, only after obtaining a temporary parking permit through the GRF Stock Transfer Office. Such temporary parking permit must always be clearly displayed on dashboard of the Permitted Health Care Resident's vehicle.

2.6.2. Caregivers.

2.6.2.1. Definition. A Caregiver shall mean a non-shareholder hired or identified by a Qualifying Resident as providing part-time or full-time support or care for the Qualifying Resident. This person must be registered with GRF Stock Transfer. Caregivers are not permitted to reside in the Mutual unless they qualify as a Permitted Health Care Resident pursuant to Civil Code Section 51.3 or are otherwise qualified as Co-Occupant or Qualified Permanent Resident pursuant to the Mutual Governing Documents.

2.6.2.2. Business License. The Mutual recommends that all Caregivers have a valid business license, issued by the City of Seal Beach and/or work for an agency with a valid business license, issued by the City of Seal Beach.

2.6.2.3. Driver's License. Any Caregiver providing support or care to a Qualifying Resident in Mutual Fourteen must have a valid driver's license if driving a vehicle into Leisure World.

2.6.2.4. Pass and Badge Requirements. All Caregivers, as an individual, or through an agency, must apply and receive a Caregiver's pass and clear badge holder through the GRF Stock Transfer Office. The Pass must: (1) be renewed every six (6) months; (2) be worn in clear sight at all times; and (3) may not be transferred or lent to anyone.

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2.6.2.5. Caregiver's Prohibited from using Laundry Facilities. Caregivers shall not use the washers and dryers for personal use and may only use laundry facilities for Qualifying Resident's laundry. Caregivers who use Mutual laundry facilities for their personal or family use will be permanently banned from the Mutual.

2.6.2.6. Caregiver Actions. Caregivers, as an invitee or the Qualifying Resident, must act in compliance with the Governing Documents of the Mutual, including without limitation, the Occupancy Agreement, the Bylaws, the Rules and Regulations and Policies of the Mutual at all times. Specifically, a Caregiver must cease any noise that could be considered disruptive (i.e. no loud televisions, radios, or talking, so as not to disturb the quiet enjoyment of other Qualifying Residents and Shareholders), between the hours of 10:00 p.m. and 8:00 a.m. Caregivers are not allowed to have guests or invitees, including without limitation, family members or friends, to the Unit or anywhere within the Mutual. Caregivers shall not bring any pets into the Mutual and/or Leisure World. Caregivers shall not utilize any Mutual and/or GRF community facilities.

2.6.2.7. Caregiver Parking. If a Qualifying Resident does not own a vehicle, the Qualifying Resident's Caregiver may use the carport space associated with the Qualifying Resident's Unit, for purposes of parking their own vehicle, only after obtaining a temporary parking permit through the GRF Stock Transfer Office. Such temporary parking permit must always be clearly displayed on dashboard of the Caregiver's vehicle.

2.7. Section 2.7 – Listing Inspections & Withdrawal Fee.

A shareholder wishing to sell a unit "Selling As is": "Selling As is" must be included in the real estate listing description. The buyer must meet with the Director and the Physical Properties Inspector at the unit to receive and sign a required inspection report and confirm that they acknowledge that the apartment must be brought up to code before it can be occupied. The report is required to close escrow. If the buyer doesn't follow through with the planned remodel, the upgrades needed to bring the apartment up to minimum standards will be the responsibility of the buyer.

All Shareholder who wishes to sell his/her Mutual Stock must first obtain Board waiver of option before the Stock is listed for sale. The Board of the

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Mutual requires that any Broker who accepts a listing of Stock must complete the following steps before this listing is executed: (1) Deliver to the Stock owner, requesting the listing, a copy of the Mutual Waiver of Option form. Notify the Shareholder that this form must be executed by the Mutual before the listing can be taken; (2) Explain to selling Shareholder that a listing inspection will be made. Give the Shareholder a blank copy of the inspection form; (3) Upon completion of the inspection, a copy of the completed inspection form will be sent to the selling Shareholder; and (4) When the selling Shareholder receives the completed inspection form, he/she should contact the Sales Representative that initially made contact and supplied the listing form.

2.8. Section 2.8 – Escape Tax Deposit.

In order to avoid escaped property tax due to the County Assessor's Office upon the death of a Shareholder, funds of five thousand dollars (\$5,000.00) will be withheld in escrow or transfer to cover the escaped property tax whenever a sale of a certificate is by an estate or heir of the deceased Shareholder or co- owner of the Stock. These funds will be held in a separate account from the Withdrawal Inspection Deposit.

2.9. Section 2.9 – Shareholder Changes.

When applying to become a Qualifying Resident in the Mutual, outside the parameters of the usual escrow closing procedure as established by the GRF and/or Mutual, and/or whenever an additional person is added to the Stock as a Qualifying Resident, that person shall be notified by the Stock Transfer Office that the following procedures must be followed before such person may become a Qualifying Resident and occupy the Unit.

The inspection must be on file with the Physical Property Department. This does not pertain to fire inspections or any life-safety inspection. The request can be made in the Stock Transfer Office.

The cost of any required maintenance or corrective work is to be determined in accordance with the Qualifying Resident's Occupancy Agreement and Mutual Rules. Any needed work that is the responsibility of the Mutual shall be performed by the GRF Service Maintenance Department.

Non-standard items needing repair are to be accomplished by the prospective Qualifying Resident. Whenever any corrective work (which would be applicable if there was an escrow involved) is needed to bring a unit into compliance with Mutual regulations, and the corrective work is the responsibility of a Qualifying Resident, the corrective work shall be completed by the Qualifying Resident and/or the prospective Qualifying Resident prior to the prospective resident shareholder being added to the stock.

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Prospective Qualifying Resident will be informed by the Stock Transfer Office of any monies owed on the Unit. This information will be supplied by the Accounting Department and the Physical Property Department.

The Stock Transfer Office will ensure that all standard procedures and documents are completed and verified in accordance with Mutual and GRF requirements. Also, ensure that a new buyer orientation will be performed by member(s) of the Board.

2.10. Section 2.10 – Lock Resolution.

All locking devices on any original entrance door of a Unit must be master-keyed to the original keying system for the Mutual. Locking devices installed on the entrance door of a Unit that do not comply must be removed at the expense of the Qualifying Resident or, in the alternative, a GRF lockbox, with an approved red reflector strip attached, containing the key to the front door of the Unit, may be attached to a conspicuous location near the entry door of the Unit ("Lockbox"). Such Lockbox cannot be located at a distance of higher than six (6) feet off the ground. In the event that a locking device does not meet the standards of the Mutual set forth in this Section, and the nature of an emergency requires the Mutual to enter the Unit, the agents and employees of this Mutual are authorized to gain entry by any reasonable means and the expense of repair, if any, shall be the cost of the Qualifying Resident and/or Shareholder.

2.11. Section 2.11 – Plumbing Stoppages.

Mutual Fourteen shall not pay for any single stoppages of a unit's kitchen sink, bathroom sink, toilet, or shower. All back-to-back side to side or building stoppages will be paid for by the mutual.

2.12. Section 2.12 – Pest Control.

The Mutual shall be responsible for annual termite inspections, setting rodent bait stations throughout the Mutual, mole, gopher and skunk control, and the removal of bee(s) (includes carpenter bees), wasps' nests and yellow jacket hives, and fleas infesting a Common Area.

The Shareholder is responsible for the treatment of ants, roaches, silverfish, mites, gnats, mosquitoes, flies, vinegar flies, pantry pests, weevils, spiders, earwigs, crickets, lizards, bed bugs, fleas, and any other indoor pest, within the interior of the Unit. The Mutual shall be responsible for exterior treatments required for attics, patios, and garden areas. Shareholders requesting pest control services must contact a Mutual Director who will pass the request on to Service Maintenance. Pest control services are provided weekly. The Mutual Director will inform the Shareholder of any monetary responsibility for such pest control and schedule the Shareholder

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request for the next weekly visit.

Any request regarding bed bug treatment will be reported immediately to the pest control company and will involve an additional charge to the Shareholder for a special service call. If the Shareholder requests immediate service, a “service charge” will be added to their bill.

2.13. Section 2.13 – Service Maintenance Requests.

All services listed as a standard service in the “Welcome to Leisure World” brochure is performed at the expense of the Mutual, so long as such requirement for maintenance is not a result of negligence on the part of the Shareholder. Any request for service must be made to the building director responsible for that building within the Mutual; however, if a Shareholder, requires Service Maintenance services during After Hours (4:30 p.m. – 8:00 a.m.), or on the weekend (Saturday and Sunday), a request for Service Maintenance services made be made directly by the Shareholder and the cost of such services will be billed to the Shareholder. Any request for emergency services during After Hours or weekends can be made by the Shareholder, through Security, and charged to the Mutual.

Service Maintenance personnel are normally dispatched the day following the request, except that for emergency services, which are responded to as soon as personnel is available. Examples of emergency services are: (1) plumbing stoppages; (2) water line breaks; (3) and electrical outages. Service Maintenance personnel are bonded and entry into an apartment with a passkey can result in quicker and less costly service. Shareholders should authorize passkey entry into their Unit for maximum service.

The Mutual requests that Shareholders do not make arrangements directly with the individual servicemen with whom they come into contact with. The Mutual requests that Shareholders do not contact the Service Maintenance Superior directly, unless it is absolutely necessary; thus, ensuring the most efficient and effective service.

Should the Shareholder request an appointment for repair from the Service Maintenance department and cancel or fail to use such appointment, the Shareholder will be charged the current hourly charge for such cancelled or unused appointments.

3. ARTICLE III – ARCHITECTURAL GUIDELINES**3.1. Section 3.1 – Contractor’s License.**

No Shareholder shall hire any unlicensed individual to perform repairs, alterations and/or other such work in or to the Shareholder’s Unit.

3.2. Section 3.2 – GRF Permit for Building Alterations/Additions.

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In order to conduct any construction for the alterations and/or additions in the Shareholder's Unit within the Mutual buildings, the Shareholder or contractor shall submit an application for issuance of a building permit to the Physical Property Department and obtain a GRF Permit for the alterations and/or additions. The Shareholder must provide the Physical Property Department with a written, signed proposal and contract between the Shareholder and the contractor performing the work, which describes the work to be done by the contractor, the fees to be paid, and the commencement and completion dates of the work. Such contract must be in the form of the appropriate Standard Form Contract provided by GRF and must be properly completed and signed by the Shareholder and contractor proposing to do the work. The Standard Form Contract will contain a per day penalty for every calendar day that exceeds the completion date set forth in the Contract. Said penalty to be paid by the Contractor to the Shareholder. The Mutual Board, or its designee, may make an exception to the completion date and award an extension to the contractor without penalty due to unforeseen delays or problems. Should the shareholder commence work without the permits, the shareholder will be fined and any alterations that are not approved may be removed at the shareholders expense.

Mutual requires the signature of the Mutual President or any designated Director on any building permit, building plans, and change orders issued for Unit remodeling and approved by GRF.

No Shareholder shall make any structural alterations in the Unit or Mutual premises, or in the water, electrical conduits, plumbing or other fixtures connected therewith, or remove any additions, improvements or fixtures from the Unit or Mutual premises, without the prior written consent of the Mutual and GRF. Detailed plans for a patio must be submitted to the GRF Building Inspector at least three (3) weeks prior to a Board meeting and a building permit must be obtained.

Contractors engaged in performing interior or exterior remodeling or installing or removing appliances associated with such work will be permitted to do so only between the hours of 8 a.m. and 5 p.m. Work will be permitted on Saturday if the work does not create noise. Work will not be permitted on Sunday or holidays.

3.3. Section 3.3 – Mutual not Responsible for Damage.

The Mutual is not responsible to any Shareholder, or any successor Shareholder, for any damage to any Unit with permitted upgrades, regardless of date of installation or cause of damage or failure.

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SEAL BEACH MUTUAL NO. FOURTEEN**Rules and Regulations****3.4. Section 3.4 – Installation of Showers/Bathtubs.**

Shareholders may install a bathtub within the Shareholder's Unit at the Shareholder's own expense, so long as the bathtub meets the requirements set forth in this section. The bathtub must have a minimum inside width of nineteen (19) inches. A Shareholder may install a shower door (piano hinge) within the Shareholder's Unit, when shower cut downs are performed in the Shareholder's Unit, at the Shareholder's own expense.

3.5. Section 3.5 – Skylights.

Subject to the approval requirements contained herein, a Shareholder may install a skylight over specified locations in the existing roof structure of the Shareholder's Unit, at the expense of the Shareholder. The Shareholder and contractor must utilize the Standard Form Contract prepared by the Physical Property Department. The construction must conform to the plans and specifications approved by the GRF and Mutual Board. The Shareholder must obtain a building permit from the City of Seal Beach, California and the GRF. All skylights must be maintained by the Shareholder. Installation or replacement must observe all current roofing specifications.

3.6. Section 3.6 – Microwave Ovens.

A Shareholder may install a microwave in the kitchen of the Shareholder's Unit, at the Shareholder's own expense, in place of the stove hood. The installed microwave will be a permanent installation to be maintained by the Shareholder and on resale of the Mutual Share related to the Unit, the new Shareholder will assume responsibility for the maintenance.

3.7. Section 3.7 – Ceiling Fans.

Ceiling fans may be installed in any location/ the kitchen provided that they meet the City of Seal Beach's specifications of six (6) feet, eight (8) inches clearance from blades to floor. Ceiling fans are permitted in any location in a Unit provided ceiling heat in said room has been disabled and an approved alternate heat source has been installed and is operational.

3.8. Section 3.8 – Washers and Dryers in Unit.

Any washer and dryer in a Shareholder's Unit, of any make or model, whether side by side or stackable, shall be cleaned every two (2) years, so that all dryer vent areas are thoroughly cleaned and free of lint for clear passage of air flow from machine to roof top areas. A sticker with the date of cleaning must be affixed on or close to the cleanout cover every time a cleaning is performed by Service Maintenance or an outside vendor.

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In addition, all washing machine hoses and fittings must be checked every year during fire inspections for any leakage or hardening and/or cracking of the hoses. Moving the washer/dryer is not a requirement. If any of these conditions are found, the hoses are to be replaced with a follow-up by the GRF Building Inspector to verify completion. In all closes of escrow and changes of stock, all hoses must be changed prior to closing. The maintenance fee for this work shall be borne by the Shareholder/Seller. Further, during the fire inspections conducted every year, the GRF Building Inspector will compile a list of all units containing a washer and dryer. New washers and dryer installations shall be submitted to the Physical Property Department with a plan describing the proposed connection to the sewer. All washers shall be installed with a battery powered water alarm behind the washing machine unit at the floor. Only braided metal supply hoses are allowed for the appliance. Dryer vents must go to the roof and have a clean out accessible within the Unit. All venting must be galvanized pipe with a short flex line used for the connection to the appliance. This ensures that the appliance may be pulled out and serviced without breaking the vent seal. The contractor may cut a hole for the vent from within the attic but may not have access to the roof of the Mutual building. The contractor must then contact the Mutual roofer to have it flashed with the approved damper cap. An insulation inspection must occur to verify the presence of the soundproofing (if on common walls) before the GRF Building Inspector will sign off on the project. The Shareholder and/or Qualifying Resident assumes full responsibility for any damage incurred as a result of the installation and/or use of a personal washer and/or dryer in their Unit.

3.9. Section 3.9 – Walk-In Therapeutic/Jacuzzi-Type Bathtubs.

A Shareholder may install a walk-in therapeutic bathtub or Jacuzzi and the related equipment/ appurtenances, at the Shareholder's expense, within the Shareholder's 's Unit. The Shareholder shall assume financial responsibility in case the licensed installation company fails to comply with all provisions of the permit and all GRF and Mutual Rules and Regulations and agrees to return the Mutual property to its original condition or satisfactorily complete the installation upon demand by the Mutual.

The Mutual has the authority and authorization to remove the bathtub/Jacuzzi and related equipment/appurtenances and return the shower/tub area to its original condition at the Shareholder's expense if the installation does not comply with the provisions of this Section.

The walk-in therapeutic bathtub/Jacuzzi shall have: (i) a Sound insulation board applied to all surrounding walls, floor to ceiling, with drywall mud and tape; (ii) the shower trap shall be replaced using an all-glue ABS trap and a 2" trap with accessible clean out shall be maintained; (ii) all new water piping

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shall be copper pipe type L; (iv) A 20" x 30" attic access shall be provided in the bathroom for access to the shut off valves. The attic access cover shall be a combination of plywood laminated to a 5/8- inch type X drywall with the drywall facing the attic side; (v) The bathtub/Jacuzzi faucets shall have quarter turn shut offs that are accessible. The discharge of water shall be by gravity drain. A pump may only be used if the discharge rate does not exceed 7 gpm. Air injection jets may only be installed if they do not exceed a 44-decibel sound level. If they are an integral part of the bathtub/Jacuzzi, they must be disabled if they do not meet this sound level; (vi) A non-standard 50-gallon water heater shall be installed with a re-circulating pump for the bathtub/Jacuzzi unless an alternate source for maintaining adequate hot water temperature at the bathtub/Jacuzzi is provided such as a tank-less booster water heater at the bathtub/Jacuzzi. The installation and maintenance shall be at Shareholder's expense; and (vii) The main electrical panel must be upgraded to a 125-amp square D electrical panel with a 100-amp main breaker, if necessary, to provide sufficient circuit breakers. A sub-panel is not permitted.

3.10. Section 3.10 – Contractor Notification/Pre-Demolition.

The Shareholder's Contractor shall notify all surrounding units four (4) days prior to demolition of any kind. Contractor may petition the GRF Building Inspector to designate one parking space to be coned off overnight Monday through Thursday, only during the initial phases of construction. The Mutual reserves the right to revoke any such designated parking space at any time. Contractors shall block off their site with an approved orange netting at all times until final inspection occurs. They may use the grass areas in front of the unit during the day when marked off by the orange netting. All work tools must be removed from the grass area overnight and on weekends. The Mutual is not responsible for any damage, loss and/or theft of the contractor's tools.

3.11. Section 3.11 – Demolition.

The contractor must, at all times, have an approved, fully charged and visible fire extinguisher on-site. Demolition must be tarped off so that no dust can enter the common attic space or affect neighboring units. If possible, the contractor is to lightly spray the demo area to keep dust down. Contractors may not use Mutual trash dumpsters to dispose of material. All trash must be hauled off site daily. The contractor must ensure that the work area is visibly blocked off from any access. The Shareholder and contractor will be responsible for any damage or injury caused to any Shareholder, Qualifying Resident, guest, or invitee who is injured due to the contractor's failure to safely secure the work area.

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All new concrete defined as patios, aprons, and walkways shall be doweled into existing slabs a minimum of 24-inch on center with a #3 rebar and at least a 6-inch embedment. Refer to: CBC, City of Seal Beach, Mutual's requirements, Exhibit A2. Foundations/remodels shall refer to an engineered set of drawings, approved by the City of Seal Beach.

3.13. Section 3.13 – Framing.

At framing inspection, the contractor shall treat the exposed framing for termite resistance with a product such as Tim-bor. Tim-bor must be applied by brush or spray as follows: two applications of a 10% solution when drier than normal; one application of 15% solution when normal moisture.

When a Unit is remodeled, the architect, engineer, and/or contractor shall design and construct all the ceiling systems in such a way that allows for a minimum of 1" unobstructed flow of air from the eave vents up to the ridge vent. No framing material or insulation shall obstruct this air flow. If the insulation is going to close this 1" space, then a plastic baffle shall be installed to maintain it. No wood trim or coverings will be allowed on the exterior. Only termite resistant products shall be allowed on the exterior finish. Cement fiber trim and hard panel siding are standard. However, composites may be reviewed by the Mutual Board for approval. The only wood to remain for an exterior remodel is the original roof overhang that includes vent blocks, rafters, fascia, and plywood. If these are damaged or repaired by the contractor, the contractor shall replace wood to match existing and paint to match. Wood must be primed and painted with the approved paint. The Mutual will maintain the maintenance responsibility for the exterior wood members upon completion and approval of the work.

3.14. Section 3.14 – Drywall.

All drywall at common walls, ceilings, skylight shafts shall be type x 5/8.

3.15. Section 3.15 – Plumbing.

The Shareholder shall ensure that if any work is to be done on exposed original plumbing, (water/sewer) that the plumbing shall be changed to copper (type L) with sweat joints or ABS pipe and cast iron in some instances. Full remodels shall have a brass ball valve main shut off installed for the cold water entering the unit.

All valves shall be easily accessible. The shut off valve for the hot water shall be at the cold-water supply to the water heater and easily accessible through a panel. The water heater shall be easily accessible for service and have a drip pan and a dual Sonin (manufacturer) water alarm installed by the

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977 contractor for any plumbing remodel. Only metal braided supply lines with ¼
 978 turn metal angle stops are allowed for all plumbing fixtures. All supply lines
 979 shall have metal nuts.
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3.16. Section 3.16 – Electrical.

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 982 If a new circuit is required and space cannot be found within the existing
 983 panel, then a new panel will be necessary and shall only be Square D
 984 Q0124L125 24 spaces/24 circuits with 100 amp main shut off. No sub panels
 985 when remodeling. All electrical boxes in the common walls shall be metal, not
 986 plastic. All remodels shall require high efficiency lighting such as LED, Gu24,
 987 or fluorescent tube. No screw in bulbs will be permitted.
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3.17. Section 3.17 – Insulation/Sound Proofing/Fireproofing.

989 All common walls shall be insulated for soundproofing and fireproofing. The
 990 common walls, when open in a remodel, shall be upgraded to include
 991 soundboard or other means to control sound transference through common
 992 walls. Any penetrations for plumbing or electrical shall be sealed with
 993 approved fireproof sealant or approved spray foam.
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3.18. Section 3.18 – Carpet and Flooring.

996 Shareholders may replace flooring and carpet within their Units with a permit
 997 from Physical Properties. Any replaced flooring or carpet must be tested or
 998 disposed of properly at Shareholder's expense. Patio flooring transition to
 999 entry walks are Shareholder's responsibility and must be made flush by
 1000 raising concrete entry walks.
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3.19. Section 3.19 – Dishwashers.

1003 Shareholders may have any make or model built-in dishwasher installed in
 1004 their Units at their own expense by a licensed contractor approved by the
 1005 GRF Physical Property Department and the City of Seal beach after securing
 1006 the necessary permits from the GRF Physical Property Department prior to
 1007 beginning work. The dishwasher requires a separate electrical circuit. The
 1008 Shareholder assumes full responsibility for any damage incurred as a result
 1009 of a dishwasher, whether built-in or portable in their unit.
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3.20. Section 3.20 – Appliances.

1012 A Qualifying Resident that has lived in his/her Unit for six (6) months or less,
 1013 and received new appliances from the Mutual, may not remove the
 1014 appliances/fixtures in a remodel unless they refund the Mutual the full value
 1015 of the appliances at the time of installation.
 1016 No appliance which is Mutual property may be sold, given away, or disposed
 1017 of by the Qualifying Resident and/or the contractor. The Qualifying Resident
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or contractor must notify a director on the Mutual Board or the GRF Building Inspector to confirm what options are authorized. This notification must be made at least seven (7) days prior to the removal of the appliances. If any appliance is stored in the Unit, it must continue to be cleaned and left undamaged until the Mutual picks up the appliance. Mutual appliances/fixtures are defined as: cooktops, ovens, refrigerators (for all Occupancy Agreements executed prior to October 1, 2019), hoods, garbage disposals, water heaters, sinks, faucets, lighting fixtures and ceiling heater/vent/light units.

All expansions or permanent fixtures and appliances to the unit become Mutual property when attached to the building. The Mutual and/or GRF will not be responsible for any reimbursement of any expansions or fixtures which become Mutual property.

3.21. Section 3.21 – Mutual Warranty on Standard Appliances.

Effective October 1, 2019, the Mutual will warranty all standard refrigerators, stove tops, and ovens for a period of one year from the date of sale to the buyer of any Unit with these appliances. Effective September 20, 2022, the mutual will warranty all garbage disposals for a period of one year from the date of sale of the new buyer.

3.22. Section 3.22 – Seller Warranty on Non-Standard Appliances.

The existing Shareholder, upon the sale of a Unit, shall obtain a one (1) year warranty on each non-standard appliance and provide all warranties to the new Shareholder in the escrow packet.

3.23. Section 3.23 – Exterior Coverings, Awnings and Blinds.

Plans for all exterior awnings, coverings and/or blinds on windows, doors, doorways, and entry or exit areas must be submitted to and approved by the Mutual Board and meet the standards and approval of the Physical Property Department prior to installation. Exterior coverings, including but not limited to solar blinds, mini blinds, vertical blinds, or roll- up bamboo blinds, are permitted only within the inside of each Qualifying Resident's porch or Unit, and may not be attached to the Mutual's building outside of the porch, or interior window header when the unit has been extended. The Mutual prohibits exterior coverings to be attached to the building outside of the porch header or attached to rafter tails or building fascia.

3.24. Section 3.24 – Gutters.

A patch to a gutter is not permitted in any remodel which alters the gutter or moves a downspout. A contractor may reuse and modify the downspout. Full lengths of gutter without patches must be installed by the contractor. A

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contractor must contact the Mutual-approved roofer and have the roofer install full lengths of gutter without patches on new roofs that have gutters with one seam at the middle of the building. The install will be at least one half the entire length of the building without patches. Downspouts may be reused but will only be located as per the GRF Building Inspector's direction.

3.25. Section 3.25 – Equipment Standards.

The Mutual has approved a revised standardization of appliances list. This list may be updated by the Purchasing Department from time to time as manufacturers improve, modify, or replace models, thereby altering the current applicable model numbers. The revised list will be published annually. It is attached hereto as Exhibit "A".

3.26. Section 3.26 – Smoke Detectors.

When all or any remodel work is done to a Unit, ALL smoke detectors/alarms must be replaced with a Kidde i9010 Tamperproof 10-Year Sealed Lithium Battery-Operated Smoke Alarm and/or Kidde 12010S Worry-Free Hardwired Interconnected Smoke Alarm Sealed Lithium Battery Backup, where applicable, or an equal and equivalent device approved by the Mutual Board.

3.27. Section 3.27 – Performance Bonds for Construction Work over Ten Thousand Dollars.

Permits for any construction work performed in the Mutual valued at more than \$10,000 shall require a Performance Bond. The bond shall provide sufficient funds in the event the work is not completed on time, in accordance to approved plans, and/or to the satisfaction of the Mutual, for any reason. Exceptions to this bond requirement are as follows: (1) The contractor is listed on the Physical Property list of approved contractors; and, (2) The contractor has completed more than one-hundred thousand dollars (\$100,000.00) per year in contracts in Leisure World for the last three (3) years.

3.28. Section 3.28 – Roof Leaks.

When a roof leak occurs in a Mutual building, and if a roofing contractor fails to effect warranty repairs within fifteen (15) working days from notification by the Physical Property Department, the Service Maintenance Department will make such repairs or hire another roofing contractor.

3.29. Section 3.29 – Roof and Attic Access.

No person shall access the roof or attic areas of any building in the Mutual without the express permission and approval of the GRF Physical Property Department. The only person within this Physical Property Department who

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may give such permission or approval is the GRF Building Inspector or the GRF Physical Property Facilities Director, or their specific and assigned designees. This prohibition includes: (i) Any Shareholder, even if such Shareholder is an occupant of the building whose roof or attic is being accessed; (ii) Any other person related to, or associated with, any other resident or Shareholder such as a caregiver, a relative, or guest, and including any director sitting on the Mutual Board, including any two or more such directors in concert; (iii) Any contractor of any sort for whom access had been requested or granted for an existing contract, any prior contract, or for the purpose of bidding on a future contract; and (iv) Any public official such as an inspector or other legal authority without proper, documented permission. Emergency circumstance to protect persons or property, of course, preempt any and all such restrictions and limitations.

3.30. Section 3.30 – Filled Concrete Block and Footings.

A Shareholder may apply to GRF to obtain a permit for the use of the “filled type” decorative blocks in enclosing patios. A Shareholder must acknowledge that sufficient footings will be placed under the edge of the slab where said blocks are to be installed, in order to adequately provide for the added weight on the slab.

3.31. Section 3.31 – Liners for Decorative Block Walls.

A Shareholder is not permitted to use organic materials, such as plywood, to line decorative block walls.

3.32. Section 3.32 – Bay Windows.

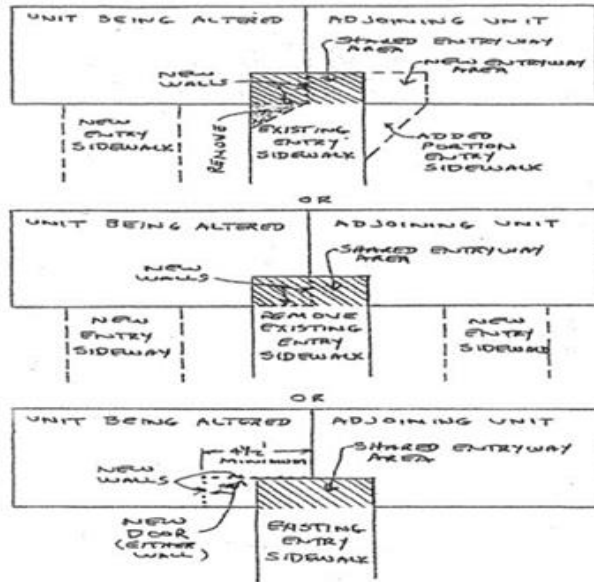
All bay windows presently covered with T-111 plywood, distressed plywood, or wood siding, and any other wood product that complements the bay windows such as corbels and decorative trim, shall be removed and replaced with stucco when the bay window framing, and covering are infested with termites. All remodels that include bay windows shall be constructed with stucco as the exterior covering and shall be “bay to grade” construction. The expense of the entire remodel and “bay to grade” construction shall be the responsibility of the Shareholder.

3.33. Section 3.33 – Common Entry Walkways.

When two units are side-by-side and share a common entrance walkway and one Shareholder wants to relocate their entry walkway, that Shareholder must obtain permission, in writing, from the Shareholder of the other affected adjacent unit. The entrance for the adjacent unit shall be relocated at the sole expense of the Shareholder whose unit is being altered to provide the minimum/maximum four feet six inches (4', 6"). The total width will include

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three-inch (3") buffers on each side if decorative stone is being used.

**3.34. Section 3.34 – HVAC.**

A Qualifying Resident shall apply to install an air conditioning system within the Qualifying Resident's Unit, at the Qualifying Resident's expense. A licensed HVAC contractor must apply to the Physical Property Department for a permit to install the air conditioning system through the lower windows or wall. A Qualifying Resident's applying to for approval to install an air conditioning/heating system must comply with the following requirements:

3.34.1. Qualifying Resident shall install a concrete pad and blind when installing any heating and air conditioning units. Units must be masked from view and blind material/design material shall be approved by the Board of Directors on a case-by-case basis. A minimum of fifty percent (50%) air space should be maintained within the material for air circulation.

3.34.2. Qualifying Resident must ensure that any all installed heating and air conditioning units have attic access from inside the Unit. The minimum size for attic access is 22" wide x 30" long. Qualifying Resident should refer to the California Mechanical Code for complete requirements. The condensation line shall terminate at the kitchen or bath sink as set forth in the Mechanical Code.

3.34.3. The City of Seal Beach requires an A-weighted sound calculation prior to the issuance of a building permit, and Physical Property requires this to be submitted prior to approval of said permit (Municipal Code 7.15.035). Exterior sound 55db.

3.34.4. At the time of sale for a unit during escrow, the HVAC system will be tested for proper function of the unit, as well as adding attic

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- access if not one already (22"x30"). A concrete pad shall be installed under the condenser and the condensate drain line shall be rerouted to the trap side of a sink if not done.
- 3.34.5.** Permission is granted by the Board to the Physical Property Department to issue permits for installation of air conditioners through the lower windows. Any other areas considered for installation requires Board approval.
- 3.34.6.** Permits are required for wall heaters. In all construction work where wall heaters replace the original heating source, metal conduit or armored cable shall be used for the last six feet of line running from the breaker box to the wall heater(s).

3.35. Section 3.35 – Unsanitary Premises and Fire Loading Conditions.

Chapter 10 of the 1997 Uniform Housing Code, Section 1001.11, defines in part, hazardous or unsanitary premises as the accumulation of weeds, vegetation, junk, offal (decaying meat products), dead organic matter, debris, garbage, rat harborages, stagnant water, combustible materials, similar materials, or conditions on the premises of the unit, or storage inside of the oven or on the stovetop or inside a microwave oven, which may constitute fire, health, or safety issues.

For purposes of this Section 3.35, unsanitary or rodent and insect inviting conditions or fire-loading conditions are described as the excessive acquisition and collection of large amounts of objects. Such collections of objects may include, but are not limited to stacked paper goods, newspapers, books, magazines, mail, trash, stored cardboard boxes, plastic trash bags, food stuffs, cleaning aids, clothing and collectables, pet waste or unclean pet cages, and a lack of ingress and egress at windows and doors.

Qualifying Resident's shall not create an unsanitary or rodent and insect inviting condition or fire-loading conditions, as defined in this Section 2.39 or in Section 1001.11 of the 1997 Uniform Housing Code referenced above. Further, a Qualifying Resident shall not store within their Unit, or on their patio, any incendiary items such as grease, oil, gasoline, paint, or paint thinner, or any other liquids or substances noted to be flammable, or any large amount of hobby materials. Working on hobbies in Unit or patio/porch will be permitted by the Board on a case-by-case basis, considering the health, safety, welfare, and aesthetics of all residents affected. Storage of construction materials, including but not limited to, stacked wood, siding, metal pieces, welding tools, or any items in support of conducting or practicing a business upon the premises, is also prohibited.

3.36. Section 3.36 – Unit Fire Inspections and Special Unit Inspections.

Each Unit will be inspected at the regular annual Mutual fire/safety inspection

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conducted by the Physical Property Department, or any special inspection as ordered by the Mutual Board, with a duly posted 72-hour notification to the Qualifying Resident. Any infractions will be indicated, and the Qualifying Resident will be informed by mail to cure the infraction within thirty-two (32) days of the date of the letter. A follow-up inspection of the premises will be conducted to assure compliance. At the time of inspection, the GRF Building Inspector will verify that the smoke detector(s) are within the ten (10) year maximum life and in working condition. Shareholders will be required to provide proof of liability Insurance during Fire Inspections or within 10 days. If not, shareholders will be fined per Fine Schedule.

3.37. Section 3.37 – Temporary Relocation During Repair and Maintenance.

The Mutual shall not assume responsibility for relocating and/or housing Shareholders during the repair and maintenance of Common Area.

4. ARTICLE IV – PORCHES/PATIOS/GOLF CART PADS**Definition of Terms:**

- a. A porch is the space under the roof of the structure open to the outside or enclosed from the weather.
- b. A porch and a patio can be built as a continuous structure, but the portion outside the roofline will be considered and maintained as a patio.
- c. A patio is any surface other than garden material that is attached or adjacent to the outside wall structure of the Unit's structure.
- d. A porch is included in the exclusive use permit of occupancy and is not included or managed by this Article IV.
- e. 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.

4.1. Section 4.1 – Porches.

If the Mutual's Bylaws provide for it, a Shareholder may submit an application to construct a porch. The Shareholder's plans and specifications must be in accordance with the Mutual's requirements as set forth in these Rules and Regulations. Pursuant to Section 2.1 of these Rules, all construction work related to the construction of porches must be done by a contractor licensed and insured in the State of California.

4.1.1. Use and Maintenance.

The maintenance, repair, and replacement of any components of the porch will be the responsibility of the Shareholder.

4.1.2. Emergency Egress – Windows and Walkways.

All porch window spaces, both inside and outside, must be kept clear for emergency exit and entrance. A clear path of at least four

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- (4) feet must be maintained from the entrance of the porch to the entry door of the unit. Walkway must have a clean, unobstructed pathway, free of potted plants or other items.
- 4.1.3. Emergency Egress – Doors.**
No porch addition may have a door that locks. Only doors with direct entry into the Unit may have locks (i.e., front door or sliding glass door leading directly into the Unit from the porch). A door outside in the porch without direct access into the Unit is not considered an entry door. To clarify, there can be no door locked before arriving to the front door of the Unit. Any lock on a porch door must be removed or the Mutual will remove it at the Shareholder's expense. Any object which contributes to uncleanliness or impeded passage for emergency personnel and equipment, and/or which may lead to unhealthy or dangerous conditions to Shareholders, must be corrected by the Shareholder. If such items are not removed, the Mutual will do so at the Shareholder's expense. Metal Security Doors are prohibited in Mutual 14.
- 4.1.4. Inspection.**
Porches will be periodically inspected by a GRF Building Inspector assigned by the GRF Physical Property Department.
- 4.1.5. Storage – Open Porches.**
After the initial 30-day move-in period, the following items may not be stored or placed on open porches: (i) Any type of food, including birdseed, dog, or cat food except in airtight containers; Do not leave pet dishes with food on the porch; (ii) Cardboard boxes; (iii) Charcoal or highly flammable items, old newspapers, magazines, etc. (unless stored in approved containers). Gasoline-operated equipment or gas cans, flammable chemicals; (iv) Laundry hung for airing or drying; Clothing or other items may not be hung on shareholders' porches; (v) non-working refrigerators or freezers; (vi) On un-gated porches: Unattended pets or pets in permanent outdoor kennels or caged (including birds); (vii) Spas or hot tubs, indoor upholstered furniture.
- 4.1.6. Porch Décor.**
Screens, panels, or drapes to block the sun must be of outdoor fire-retardant fabric and must be maintained. Porch décor must be in good taste, and obscene or offensive objects can be prohibited in the discretion of the Mutual Board.
- 4.1.7. Prohibited Activities.**
Any workshop causing noise, odor, unsightliness, and/or unhealthy conditions is prohibited within the Mutual. Be guided by the

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- 1298 “occasional hobby-oriented” activity rather than an ongoing
 1299 business or any activity considered to be a nuisance to neighbors.
 1300 Contact the Mutual Board by sending a letter to the Secretary for
 1301 further information and guidance. Converting an open porch into a
 1302 storeroom is prohibited.
- 1303 **4.1.8. Porch Size.**
 1304 Mutual building permits are required for any alteration to porches.
 1305 A porch may be increased by expanding outwards into the
 1306 garden/common area with Board approval. Porches may be
 1307 reduced in size by: (i) Constructing porch closets, which requires a
 1308 GRF building permit; (ii) Adding pre-assembled cabinets/sheds; or
 1309 (iii) Expanding the interior rooms of the unit outward into the porch
 1310 space.
- 1311 **4.1.9. Porch Floor.**
 1312 Outdoor carpeting is permitted. Any permanent resurfacing of the
 1313 porch floor requires a GRF building permit. Flooring installed
 1314 without a permit may be removed by the Mutual at the
 1315 Shareholder’s expense.
- 1316 **4.1.10. Enclosed Porches.**
 1317 A permit from the Physical Property Department is required for any
 1318 construction to a porch. An enclosed porch may not function as a
 1319 bedroom, kitchen, or storage closet. Any item not appropriate to a
 1320 porch will be removed by the Shareholder or by the Mutual at the
 1321 Shareholder’s expense.
- 1322 **4.1.11. Enclosed Porches Acceptable Items.**
 1323 Acceptable items on enclosed porches include: (i) Refrigerator or
 1324 freezer in working condition plugged directly into wall socket only;
 1325 or (ii) A washer or a dryer or stacking washer and dryer installed
 1326 inside a porch storage cabinet. A GRF building permit must be
 1327 obtained for the installation of these appliances, and all codes
 1328 relating to electrical and, if applicable, plumbing and ventilation
 1329 must be adhered to.
- 1330 **4.2. Section 4.2 – Stipulations for Existing Patios.**
 1331 All currently installed patios will be considered as allowed, subject to the
 1332 requirement that all currently installed patios must be brought into
 1333 compliance with the patio standards set forth in the Mutual’s Governing
 1334 Documents at the seller’s cost, at the time of transfer of title or sale of a Unit
 1335 with a Patio. At the time of transfer of title or sale of a Unit with a Patio, the
 1336 buyer must agree to manage, maintain, and ensure the cost of the Patio or it
 1337 shall be removed at the seller’s cost. The new buyer/transferee must sign
 1338 the License and Indemnity Agreement provided by the Mutual. Remodels of
 1339 existing Patios must comply with these Rules.

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All requests for patios whether end or inside units must be submitted to the GRF Physical Property Department at least three (3) weeks prior to a regularly scheduled Board Meeting. The GRF Physical Property Inspector must submit the plans for approval to the Board at least two (2) weeks prior to a regularly scheduled Board Meeting. Patio plans must be drawn to be easily understood with dimensions and must include the walls, wall caps, fences, and gates. All patio requests will be considered by the Board on a site-specific basis, taking into consideration, but not limited to the following: (1) Aesthetic/financial value to the Mutual; (2) Functionality for the shareholder; (3) Utility boxes; (4) Electrical enclosures/panels; (5) Sprinkler systems; (6) Sprinkler valves/plumbing; (7) Telephone pull boxes/equipment; (8) Sidewalks; (9) Laundry rooms; and (10) Landscaping. Any changes or deviations from the approved plans must be submitted to the Board and approved prior to implementation. 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.

4.2.2. Patio Requirements.

Patios must slope away from the building with adequate weep holes in walls for draining. All patios must include a 4" mow strip. Patio top surface material must be non-skid when wet. All patios must be enclosed by a wall or a fence. Patio wall with cap/fence must be between 18" and 35" high. Awnings, pergolas, and all other patio covers are subject to board approval. The common area in front of a patio past the mow strip cannot be cement (below surface accessibility), stones or rocks (trip hazard). Grass is preferred. A limited space for plants can be approved on a site-specific basis and with board approval.

4.2.3. Patio Indemnity Agreement.

The Mutual 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 Shareholder'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.

4.2.4. Patio Maintenance Requirements.

Shareholders shall bear any and all costs of the patio including the

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1382 maintenance of the patio, sprinkler relocation, grass replacement,
 1383 tree replacement, and flower bed repairs. As a condition of patio
 1384 approval, the Shareholder must obtain and maintain liability
 1385 insurance covering any and all lawsuits involving the patio. The
 1386 Shareholder must agree and sign the Licensing and Indemnity
 1387 Agreement provided by the Mutual.

4.2.5. Patio Use Requirements.

1388 Patio items appropriate for patio and outdoor use such as chairs
 1389 and lounges with cushions are allowed. Storage boxes designed
 1390 for patio use may not exceed 2 feet in width by 6 feet in length and
 1391 must not exceed the height of the wall/fence. Patios and areas
 1392 around patios must be kept free of clutter. If there is a question
 1393 whether clutter exists, the question will be decided by a vote of the
 1394 Board. Barbeques may be kept on patios and must be used
 1395 according to these Rules. Charcoal barbeques are not permitted.
 1396 Pets must not be left unattended on patios. Pet doors giving pets
 1397 free access to and from patios are not allowed. Potted plants may
 1398 be kept on patios and walls in compliance with these Rules. The
 1399 following items are not permitted on patios overnight: newspapers,
 1400 magazines, paper, plastic bags, and cardboard. Any item in, on,
 1401 built into or onto a patio in conflict with these Rules must be
 1402 removed by the Shareholder after ten (10) days written notification.
 1403 If the item is not removed after the ten (10) day period, the Mutual
 1404 will have the right to remove the item at the Shareholder's
 1405 expense. Patio related items must not block walkways or remain
 1406 on lawns overnight.
 1407
 1408

4.3. Section 4.3 – Golf Cart Pads.

1409 Shareholders must obtain approval and follow established guidelines for the
 1410 installation and use of any gas/electric cart or scooter and any necessary
 1411 pad used for parking and recharging of carts and scooters. Such pads shall
 1412 not be considered a permanent change to the Unit but shall remain a “non-
 1413 standard” change. Any parking or charging pad shall be removed upon the
 1414 resale or transfer of the applicable share of stock at the seller's expense,
 1415 unless the buyer wants the pad to remain and agrees to such in writing,
 1416 including an agreement that the buyer will have a golf cart within 30 days.
 1417 The Shareholder constructing a golf cart pad must contact the Physical
 1418 Property Department to obtain a permit which must be obtained prior to the
 1419 start of any construction. Minimum width will be five feet (5') and maximum
 1420 width of any cart pad will be six feet (6').
 1421 Materials allowed: concrete, decorative pavers, and decorative stone.
 1422 Decorative pavers and stone must have a three-inch (3") concrete buffer on
 1423

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each side incorporated into the maximum width of six feet (6') for the cart pad.

By obtaining a permit for the cart pad, the Mutual Board is giving the Shareholder a temporary easement for the exclusive use of a portion of the common area. A cart pad is for parking and charging of gas/electric golf carts. The area cannot be utilized for any use other than charging and parking a golf cart or scooter. If there is no golf cart, the property is to be returned to a grassy area, at the expense of the shareholder. The cart pad may not be used as an outdoor porch. There will be no plants, furniture, or decorations of any kind on the pad. The exception would be if the cart pad is an extension of the garden. If the plants on the cart pad fall within the garden area, they will be acceptable, as long as they do not interfere with any space required for any golf cart or scooter using the pad. Notices of violations will be given for any infraction.

Before obtaining the permit, the shareholder will sign a recordable agreement agreeing to all the terms and conditions required to obtain said permit.

All costs related to this installation shall be borne by the Shareholder, including any modifications to the existing sprinkler system which work must be performed by the Mutual's contracted landscaper or other Mutual-approved contractor prior to the construction of the pad.

5. ARTICLE V – LANDSCAPE MAINTENANCE MANUAL**5.1. Section 5.1 – Purpose of Landscape Maintenance Manual.**

This Article III is included to enhance the enjoyment of the Mutual living style by setting and enforcing standards for Mutual landscaping. This Article V outlines the shared responsibilities of the Mutual and its Shareholders. The Landscape Committee is entrusted with the management of landscaping including the responsibility for inspections and enforcement of this Article V. If all Shareholders follow the policy as outlined below, the landscape areas will display what most Shareholders would consider an appealing appearance of the Mutual, a benefit for all as an attractive place to live and an enhancement of property values in the event of resale.

5.2. Section 5.2 – Resident Garden Areas.

The area extending from the exterior wall of the Unit to the mow strip is set aside for the Shareholder's Garden. Free-standing objects are permitted in the garden area only. Board approval may be granted for other areas.

5.3. Section 5.3 – Trees within Garden Areas.

Trees may not be planted in garden areas, except in tubs, and they must be

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kept eighteen (18) inches below the eaves. Dwarf Citrus Trees are an exception, and maybe planted in the ground but must and will be trimmed, cared for, and treated the same as all garden area. Plants must be cut back so as not to extend over the garden line, in all cases. Removal of any offending growth will be done by the Mutual at the Shareholder's expense. Trees may not be cut down until a certified arborist provides a report to the Landscape Chair and Mutual Board, for approval, on those showing signs of stress, disease, or invasive roots, or which could possibly cause property damage. Older, larger trees should be checked on-site by an arborist yearly. When called for, second opinions must be obtained from an outside, independent California certified arborist. All arborist's reports advising the Mutual Board that the tree is diseased, or the roots are invasive to buildings and cannot be cut back without killing the tree must be in writing. Trees may not be cut down until a certified arborist provides a report to the Landscape Chair and Mutual Board and the removal is approved in writing by the Mutual.

5.4. Section 5.4 – Plants within Garden Areas.

Shareholders may plant greenery of their choice from the list of Mutual-approved plants, set forth in Exhibit B within the Shareholder Garden area. Shareholders shall not plant any greenery from the list of Mutual non-approved plants, set forth in Exhibit C. Plants with invasive root growth that could potentially damage the Mutual structures and walkways are prohibited. Vines are not permitted to climb on any structures. If a trellis is used, it must be free-standing and be kept eighteen (18) inches below the eaves and twelve (12) inches from the building. All plants must be trimmed back twelve (12) inches from building walls. Shrubs shall not block windows, electric meters, or neighbors' views.

5.5. Section 5.5 – Pest Control and Fertilization within Garden Areas.

Fertilization and plant pest control within the garden area are the responsibility of the Shareholder. Watering the garden area is also the responsibility of the Shareholder. At the Shareholder's expense, sprinklers may be added within the garden area. Maintenance of sprinklers will be at the Shareholder's expense. All fertilization and plant pest control within the flower bed are the responsibility of Shareholders at their expense. Pesticide application requires careful attention to prevent endangerment to other shareholders and their pets, as well as to beneficial insects.

5.6. Section 5.6 – Potted Plants.

Potted plants are not permitted on entrance walkways; nor can they inhibit the 36-inch entry requirement. Further, potted plants are not permitted on top

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of, or hung from Pad mount transformers, nor on telephone vaults or walk lights. Cement pavers must be under all pots containing trees or large plants.

5.7. Section 5.7 – Maintenance of Garden Areas.

After cleaning garden areas or raking leaves, Shareholders should place the leaves or debris in the proper trash bins. At the time of escrow or transfer of stock to a new Shareholder, the Mutual Inspector and the Mutual Board will signify any plants, shrubs or trees that need to be removed. The cost of such removal will be the expense of the seller or transferee of ownership. Planting will be in accordance with the current Mutual Rules and Regulations. If the new Shareholder wishes to do the planting, it will be at his/her expense. Shareholders may design a garden area with slight curves within 36 to 48 inches to enhance their garden areas. First, Shareholders must submit a plan and drawing of the proposed garden area to the Mutual Board prior to work being performed. If approved, the plan and drawing will go into a file for that Unit and be grandfathered in, so that the garden area does not have to be returned to its original configuration if the Shareholder sells his or her share of stock. Shareholders are expected to maintain their flower bed areas to enhance the Mutual and be aesthetically appealing to the appearance of the Mutual. Shareholders should have a minimum of approved decorative stones or chips over an approved weed barrier at the shareholder's expense. If a Shareholder does not adhere to the requirements of this Article V of the Rules, the Mutual will advise the Shareholder, in writing, of the problem to be corrected and may take disciplinary action.

5.8. Section 5.8 – Flower Bed in Garden Area.

Every Shareholder is allowed the privilege of a flower bed area in front of his/her Unit. Flower beds are cultivated, weeded, and trimmed by contracted landscapers every five (5) weeks. Shareholders who desire to do the work themselves may alert the landscapers by placing red flags within the flower bed. Flags are available from gardeners. Landscapers are instructed to remove weeds from all flower bed areas, including wild mint, ivies, and plants of the spiderwort family. These plants can spread onto the lawns or invading neighboring gardens.

5.9. Section 5.9 – Prohibited Uses of Garden Area.

Front and side gardens may not be used as storage areas. Items such as garden soil, empty pots, garden tools, potting tables, cabinets, scaffolding, shelving, bikes, kayaks and/or surf boards are prohibited in front and side gardens and may not block Unit windows. However, a box with earthquake material is allowed.

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SEAL BEACH MUTUAL NO. FOURTEEN**Rules and Regulations****5.10. Section 5.10 – Plants may not Touch any Structure.**

In no instance are plants of any sort permitted to become entwined, lay upon, or in any manner touch a roof, an exposed beam, or any portion of a structure, including gutters, as these conditions invite termites, rats, and mice. Any plant materials in the flowerbed whose roots are damaging the building structure, walkways, lawn area, or retaining wall must be removed at the expense of the Shareholder and the damages repaired at the Shareholder's expense. Plants not already trimmed to acceptable standards of one foot (12 inches) from the building and decorative blocks, eighteen (18) inches from the eaves, will be cut back at Shareholder's expense.

5.11. Section 5.11 – Entrance Walkways.

Entrance walkways, from the sidewalk to the structure/porch, must be kept free always of potted plants and all other impediments, including electric carts. Nothing that will in any way impede the full use of the 36" wide walkway and entry from the sidewalk to the entrance onto the porch is permitted to remain on the walkway. Plant materials must not extend outside the flower bed limits over scallop borders, walkways, turf areas, or into neighboring flower beds.

5.12. Section 5.12 – Stackable Gardens.

Shareholders are allowed to have "stackable gardens." However, the garden must have approved plants and must be kept twelve (12) inches from the building wall and may not go above the decorative fence or be twenty-four (24) inches high from the ground. Plants may not be stacked on the block walls.

5.13. Section 5.13 – Overgrown Flower Bed.

If a flower bed is deemed to be an eyesore by the Landscape Committee and provides hiding places for spiders and rodents, then the Shareholder will be asked, in writing, to clean it out. If the Shareholder does not clean out the "overgrown" flower bed and/or overabundance of potted plants, then the Mutual will do it. The Shareholder will not be reimbursed for any plants, pottery, containers, or non-authorized "items" in the flower bed.

5.14. Section 5.14 – Approved Plants.

The list of approved plants attached to these Rules as Exhibit "B". If a Shareholder has a question about a plant that does not appear on the approved list, the Shareholder needs to contact the Landscape/Garden Director for clarification and to obtain written approval from the Director prior to planting. If planted without prior written approval, the Mutual will remove, at its discretion, the offending plant(s) at the Shareholder's expense. All

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vegetables and fruit may be grown in pots within the Shareholder's designated porch ONLY. Pots may not be placed on walkways, sidewalks, or anywhere that will impede emergency access. Pots containing vegetables and trees may be placed on Shareholder's porch. If placed in the flowerbed, pot must be on a paver large enough to prevent roots from going into the ground. No fruits or vegetables shall be planted or placed within the flowerbed area. Dwarf Citrus trees are an exception and may be planted in the ground and trimmed to conform to all rules in the Article. The common name of the Approved Plants will be listed first, and the botanical or Latin names will follow in parentheses, as set forth in Exhibit "B".

5.15. Section 5.15 – Approved Drought Tolerant Plants and Succulents; Non-Approved Plants.

The flowers, plants or trees listed on Exhibit "C" hereto may not be planted in garden areas effective as of the date of adoption of these Rules. However, they may be planted in pots and placed on the porch or in the garden on pavers. Additional prohibited flowers or plants may, in the future, be added to this list by the Board of Directors. Any tree or plant will be removed if deemed by the gardener or GRF Building Inspector to have roots that will cause damage to the sewers or infrastructure. The common name of the Non-Approved Plants will be listed first, and the botanical or Latin names will follow in parentheses as set forth in Exhibit "C".

5.16. Section 5.16 – Fruits and Vegetables.

Land in the 1.8-acre Mini Farms is set aside in Leisure World for vegetable planting. Call Community Facilities (ext. 398) for information and to be put on a waiting list.

5.17. Section 5.17 – Donating Trees.

The Garden Committee wants Shareholders to know that donations of trees to enhance our Mutual's appearance are greatly appreciated. Trees are one thing that all Shareholder's enjoy and want to maintain. They provide shade and improve and enrich our living spaces in the Mutual. The Garden Committee welcomes all tree donations. If you would like to donate a tree, the procedure is very simple: Present a proposal to the Garden Committee of what type of tree you want to donate, it's size and where you would like it planted. If your request meets the criteria set forth by the Garden Committee, the proposal will be presented to the Mutual Board, and a vote will be taken at the monthly Board Meeting. Once approved by the Mutual Board, the tree can be ordered then planted by the Mutual.

SEAL BEACH MUTUAL NO. FOURTEEN**Rules and Regulations****5.18. Section 5.18 – Turf Areas.**

Turf areas are described as the ground areas located outside the Unit's flowerbed area. The Mutual is responsible for the maintenance of this area. Shareholders are not permitted to install, maintain, remove, or relocate plants or any other landscaping materials, in the turf areas, around trees, irrigation corners on green belts, or around light poles. Any plants or other landscaping material that is placed in a turf area by a Shareholder may be removed at Shareholder's expense. The Mutual Board has the authority to authorize such removal. Shareholders are not permitted to install, relocate, or adjust turf area sprinklers. Shareholders are not permitted to hand-water turf areas except for areas inadequately irrigated by the sprinkler systems. The Mutual will not plant or replace trees in the Mutual turf areas unless there is an eight (8) foot clearance from the entrance walkway and an eight (8) foot clearance from the sidewalk, or an eight (8) foot radius. Temporary use of turf areas by Qualifying Residents requires prior written approval by a Director on the Mutual Board (examples could be a picnic, party, moving, construction material storage, holiday decorations, etc.).

5.19. Section 5.19 – Lamp Posts.

Lamp posts may not be decorated or have anything attached to them, without Board approval.

5.20. Section 5.20 – Flag Poles.

All Shareholders must obtain a permit from the Physical Property Department of the GRF prior to installing a flagpole. All Shareholders that wish to install a flagpole must comply with the following requirements:

5.20.1. Must install the flagpole in the Shareholder's authorized garden area only at a maximum height of twenty (20) feet. The minimum height varies, but it must be high enough so that the flag does not touch the building or roof of the Unit when whipped by wind gusts.

5.20.2. Components of the flagpole must be standard aluminum tubing with proper rope cable, flag clamps and a pulley system. The rope cable must have a means to be stretched and tied down so as to not flap in the wind.

5.20.3. Flagpole must be erected on a concrete base within the Shareholder's authorized garden area.

5.20.3.1. The dimensions of the concrete mounting base are:

- a.** 24-inch square or round base with a standard shoe base imbedded in the concrete to attach the flagpole. The depth of the concrete base must be a minimum of 2 feet embedded in the earth of the authorized garden area.

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- b. The standard shoe base must be installed and leveled to allow the flagpole to be parallel to the building structure and vertical to earth's gravity from the ground.
- c. The flagpole may not be attached to the structure of the building by any method.
- 5.20.4.** The flagpole must be maintained in good condition by the Shareholder. If it is not maintained in good condition by the Shareholder, the flagpole will be removed at the Shareholder's expense.
- 5.20.5.** To remove the flagpole upon the sale or transfer of Unit, at Shareholder's expense, unless the buyer signs an indemnity and release agreement with the Mutual.
- 5.20.6.** Shareholder must lower their American Flag at sunset unless it is lit with a flagpole light.

6. ARTICLE VI – TRAFFIC, VEHICLE OPERATION AND PARKING**6.1. Section 6.1 – Applicability.**

The following Traffic, Vehicle Operation and Parking Rules are strictly enforced and are applicable to all persons controlling or operating vehicles on any property owned and/or regulated by the Mutual. This also refers to the streets, sidewalks, parking areas, clubhouses, grounds, and other amenities overseen by GRF. Per the Occupancy Agreement, all Qualifying Residents are solely responsible for the actions of their guests and invitees; therefore, they are solely responsible for any fines and penalties incurred by their guests and invitees. GRF vehicles, such as maintenance vehicles, or security vehicles assisting first responders or providing emergency services to a Shareholders Unit, are exempt from these rules when appropriate.

6.2. Section 6.2 – Enforcement of California Vehicle Code.

In order to promote safety, all drivers and pedestrians shall follow the California Vehicle Code, except as specified otherwise herein.

6.3. Section 6.3 – Definitions Applicable to this Article.

- 6.3.1.** Alternative Dispute Resolution (ADR): A method of resolving disputed other than by litigation involving a neutral third party pursuant to Civil Code Sections 5925-5965.
- 6.3.2.** Assigned Parking: A defined parking location that has been designated for the use of a specific individual or group by the GRF.
- 6.3.3.** Bicycle/Tricycle: A device with 2 or 3 wheels, respectively, upon which any person can ride propelled exclusively by human power

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- 1718 through a belt, chain, or gears.
- 1719 **6.3.4.** Caregiver: A non-shareholder hired or identified by a Shareholder
- 1720 as providing part-time or full-time care. This person must be
- 1721 registered with Stock Transfer.
- 1722 **6.3.5.** Commercial Vehicles: A motor vehicle of a type required to be
- 1723 registered and used or maintained for the transportation of persons
- 1724 for hire, compensation, or profit or designed, used, or maintained
- 1725 primarily for the transportation of property. A Commercial Vehicle
- 1726 shall also mean any type of vehicle, which includes without
- 1727 limitation, a truck, van, or trailer that has one or more of the
- 1728 following traits: (i) Larger than one (1) ton carry weight; (ii) Bares a
- 1729 prominent business name or advertisement. If the graphic medium
- 1730 is removable, such as a magnetically attached sign, this element
- 1731 does not apply when all such signage is removed and stored out of
- 1732 view; (iii) Normally employed or designed for commercial business
- 1733 use, whether or not a business name or advertisement is
- 1734 displayed; (iv) Racks, materials, ladders, tool boxes and/or tools
- 1735 are visible on the exterior of the vehicle; (v) Used to haul any
- 1736 hazardous materials; and/or (vi) Designed to carry more than 15
- 1737 (fifteen) passengers.
- 1738 **6.3.6.** Due Process: An established course for judicial proceedings or
- 1739 other governmental activities designed to safeguard the legal
- 1740 rights of the individual.
- 1741 **6.3.7.** Electric Bicycle: Two-wheeled vehicle supplemented with an
- 1742 electric motor. It may not be driven on sidewalks.
- 1743 **6.3.8.** Golf Cart: A motor vehicle having not less than three wheels in
- 1744 contact with the ground, having an unloaded weight of less than
- 1745 1,300 pounds, which is designated to be and is operated at no
- 1746 more than 20 mph, and has a maximum width of 48".
- 1747 **6.3.9.** Internal Dispute Resolution (IDR): An internal due process
- 1748 procedure offering an opportunity for both sides to meet and confer
- 1749 in good faith in an effort to resolve a dispute and reach a resolution
- 1750 of alleged violations of community rules.
- 1751 **6.3.10.** Low-Speed Vehicle (LSV): A motor vehicle which is designed to
- 1752 travel in excess of 20 MPH with a maximum speed of 25 MPH.
- 1753 LSV's less than 48" in width shall be driven in accordance with the
- 1754 rules and regulations established for Golf Carts. LSV's that are
- 1755 more than 48" in width are prohibited from all walkways and
- 1756 sidewalks.
- 1757 **6.3.11.** Mobility Scooter: A vehicle that is propelled by an electric motor
- 1758 with a battery pack on the vehicle. This vehicle is self-propelled.
- 1759 **6.3.12.** Motorcycle: A motorcycle has more than a 150cc engine size, and

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- 1760 no more than three wheels and has to be registered with the
 1761 Department of Motor Vehicles (DMV).
 1762 **6.3.13.** Motor-Driven Cycle: A motor-driven cycle has 149cc or less engine
 1763 size (CVC Section 405) and has to be registered.
 1764 **6.3.14.** Non-Resident: A person without the right under the governing
 1765 documents and applicable law to occupy a dwelling within a
 1766 Mutual.
 1767 **6.3.15.** Parking Permit Binder: A register maintained by the Security
 1768 Department to document vehicles granted a limited exception to
 1769 certain parking rules. (Examples of exceptions noted in Parking
 1770 Permit Binder: Extended Qualifying Resident's absence, overnight
 1771 RV parking, late night calls for overnight guests without a parking
 1772 permit.)
 1773 **6.3.16.** Parking Rules Violation (PRV) Panel: The Mutual Board has
 1774 established a committee consisting of a facilitator, three (3) Mutual
 1775 directors and an alternate as may be designated from time to time
 1776 by the Board and assigned to meet on a rotating schedule to hear
 1777 Shareholder disputes regarding Parking Rules Violation notices
 1778 issued by Security Department.
 1779 **6.3.17.** Pedestrian: Any person who is afoot or who is using a means of
 1780 conveyance propelled by human power other than a bicycle. This
 1781 also includes any person operating a self-propelled wheelchair,
 1782 motorized scooter, tricycle, or quadricycle.
 1783 **6.3.18.** Prohibited Vehicles:
 1784 **6.3.18.1.** Aircraft.
 1785 **6.3.18.2.** Boats, personal watercraft, and their trailers, except as
 1786 specifically allowed by these Rules in limited
 1787 circumstances.
 1788 **6.3.18.3.** Inoperable Vehicle: A vehicle that lacks a functioning
 1789 engine or transmission, or non-functioning wheels, tires,
 1790 doors, windshield, or any other major part or equipment
 1791 necessary to operate safely on the highways.
 1792 **6.3.18.4.** Off-road vehicle (not street licensed) other than a Golf
 1793 Cart or Golf Car.
 1794 **6.3.18.5.** Unregistered Vehicle: no current valid State registration.
 1795 **6.3.18.6.** Vehicle designed to carry 12 (twelve) or more
 1796 passengers, except any buses or limousines to load or
 1797 offload passengers with approval from the Security
 1798 Department or Recreation Departments.
 1799 **6.3.19.** Recreational Vehicle (RV): A motor vehicle or trailer for
 1800 recreational dwelling purposes; a motor home or other vehicle with
 1801 a motor home body style which has its own motor power or is

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- 1802 towed by another vehicle. Recreational Vehicle shall not include
 1803 van camper conversions, which are permitted within the Mutual.
- 1804 **6.3.20.** Reserved Parking: A parking location that is marked as such by a
 1805 sign, or curb or pavement marking and is set-aside for use only by
 1806 the designated user(s).
- 1807 **6.3.21.** Rules Violation Notice (Citation): A written notification of a violation
 1808 of GRF parking policies placed on the violating vehicle. Citation
 1809 information is forwarded to the Mutual President.
- 1810 **6.3.22.** Trust Property: All land operated by GRF on behalf of the Mutuals.
- 1811 **6.3.23.** Trust Streets: Streets with names.
- 1812 **6.3.24.** Unassigned Parking: Not an Assigned Parking space.
- 1813 **6.3.25.** Unauthorized Vehicle: A vehicle not permitted to be on Mutual or
 1814 Trust Property.
- 1815 **6.3.26.** Vehicle Used for Recreation (VUFR): Boats, boat trailers, all-
 1816 terrain vehicles (ATVs), trailers used to transport ATVs.
- 1817
- 1818 **6.4. Section 6.4 – Prohibited Vehicles.**
 1819 No Prohibited Vehicle shall be parked on Mutual or Trust Property. At no
 1820 time, shall any vehicle be parked on Mutual Property if it is leaking any fluids
 1821 other than clear water. Any Prohibited Vehicle parked within the Mutual is
 1822 subject to immediate towing at the owner's expense.
- 1823
- 1824 **6.5. Section 6.5 – Parking Permits.**
 1825 Security shall not issue a Leisure World parking permit to any Qualifying
 1826 Resident of Seal Beach Leisure World unless and until said Qualifying
 1827 Resident shall have furnished the Security Office with the following: (1)
 1828 California State car license number (or other State, if not in conflict with
 1829 California requirements); (2) A valid State Operator's license number
 1830 (California or other state) with the expiration date for each driver of the
 1831 vehicle; and (3) Satisfactory proof of liability insurance coverage in the
 1832 minimum limit pertaining to the operation of motor vehicles upon the roads of
 1833 the state of California.
- 1834 **6.5.1.** Temporary Parking Permits. All parking permits must be visibly
 1835 displayed on the dashboard of a vehicle or on the king pin of a fifth
 1836 wheel or the tongue of a trailer. The following parking permits are
 1837 issued by Security Department: (i) Shareholders for use on rental
 1838 or new vehicle; (ii) Guest of Shareholders; (iii) Overnight parking
 1839 permit at request of Shareholder for guest.
- 1840
- 1841 **6.6. Section 6.6 – General Parking Rules.**
 1842 **6.6.1.** All Shareholders, Qualifying Residents, guests, and invitees shall
 1843 park safely. At no time may a vehicle be parked in a manner

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- 1844 creating a traffic hazard.
- 1845 **6.6.2.** No animal or child is allowed to be left alone in any parked vehicle
- 1846 on Mutual Property. Animal Control or Seal Beach Police will be
- 1847 called immediately in either circumstance.
- 1848 **6.6.3.** Fire Hydrant – At no time may a vehicle be parked within 15 feet of
- 1849 a fire hydrant. Vehicles in violation are subject to immediate tow-
- 1850 away at owner's expense.
- 1851 **6.6.4.** Sidewalk – No vehicle may be parked with any portion of it on a
- 1852 sidewalk.
- 1853 **6.6.5.** Off Pavement – At no time may a vehicle be parked with any
- 1854 portion of it off pavement.
- 1855 **6.6.6.** Curb or Parking Stall – Vehicles may park in a designated parking
- 1856 stall or along a curb or sidewalk, unless otherwise provided herein.
- 1857 **6.6.7.** Vehicles on a two-way travel roadway must be parked with the
- 1858 passenger side wheels within 18 (eighteen) inches of the curb or
- 1859 sidewalk.
- 1860 **6.6.8.** Vehicle must be parked completely within the marked boundaries
- 1861 of a parking space.
- 1862 **6.6.9.** A vehicle may be parked in a location that is not a marked stall;
- 1863 however, at no time may it be parked in a manner that creates a
- 1864 traffic hazard, interferes with other vehicle access, Pedestrian
- 1865 traffic, or access to facilities or equipment.
- 1866 **6.6.10.** Any vehicle without proof of current valid State registration may not
- 1867 be parked on Mutual Property at any time.
- 1868 **6.6.11.** Any vehicles without a GRF decal on windshield or pass displayed
- 1869 on the dash may not be parked on Mutual Property.
- 1870 **6.6.12.** Trailers not connected to a vehicle are not permitted to be parked
- 1871 on Mutual Property. Such trailers may be parked in the Permit
- 1872 section at Clubhouse 4 (four) only with a permit issued by the
- 1873 Security Department.
- 1874 **6.6.13.** Pods, moving trailers or similar portable storage units are not
- 1875 permitted on Mutual Property without Security Department
- 1876 authorization.
- 1877 **6.6.14.** Vehicles in violation are subject to immediate tow away at the
- 1878 vehicle owner's expense.
- 1879 **6.6.15.** Mutual Fourteen does not allow any Golf Cart/Scooter parking in
- 1880 Automobile Parking Spots, this does not include carport spaces
- 1881 which are assigned to an individual shareholder's use.
- 1882
- 1883 **6.7. Section 6.7 – Parking Zones.**
- 1884 **6.7.1.** Red Zones – Vehicles parked in red zones are subject to
- 1885 immediate tow away at owner's expense.

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- 1886 **6.7.2.** Fire Hydrant or Fire Lane: No person shall park or leave standing
 1887 any vehicle within 15 (fifteen) feet of a fire hydrant even if the curb
 1888 is unpainted.
- 1889 **6.7.3.** Non-Fire Lanes: A vehicle may not be left unattended.
- 1890 **6.7.4.** Bus Stops: No person shall park or leave standing any vehicle
 1891 within 30 (thirty) feet of a bus stop on bus stop side of the street to
 1892 provide for loading and unloading of buses.
- 1893 **6.7.5.** Drive-Up Mailboxes: No person shall park or leave unattended any
 1894 vehicle within 15 (fifteen) feet of the mailbox.
- 1895 **6.7.6.** Blue Zone (Handicapped): Vehicles must display a valid,
 1896 government-issued disabled (handicapped) license plate or
 1897 placard.
- 1898 **6.7.7.** Green Zone: Parking may not exceed time limit posted by sign or
 1899 curb marking. Notwithstanding the foregoing, unlimited time
 1900 parking in a Green Zone is permitted only when the vehicle is
 1901 displaying a valid government-issued disabled (handicapped)
 1902 license or placard.
- 1903 **6.7.8.** White Zone: Passenger loading and unloading only. Vehicles may
 1904 not be parked in white zones in excess of 30 (thirty) minutes.
- 1905 **6.7.9.** Yellow Zone: Commercial vehicle loading and unloading only.
 1906 Vehicles may not be parked in yellow zones in excess of 30 (thirty)
 1907 minutes.
- 1908 **6.7.10.** Unpainted: Parking is permitted up to 72 (seventy-two) hours,
 1909 unless otherwise restricted.

6.8. Section 6.8 – Qualifying Resident Parking.

1911 A Qualifying Mutual 14 shareholder vehicle (except an RV or VUFR) may be
 1912 parked for no more than 90 days) hours in one location without first notifying
 1913 the Security Department.

6.9. Section 6.9 – Non-Qualifying Resident Parking.

1915 Non-Qualifying Resident vehicles are not eligible for extended parking
 1916 privileges without a permit issued by the Security Department. Any violation
 1917 of this section may result in vehicle being towed at the owner's expense.

6.10. Section 6.10 – Caregiver Parking.

1921 A Caregiver may park on Mutual or Trust Property only when a Caregiver
 1922 parking pass is displayed on the dashboard of the vehicle. To obtain
 1923 Caregiver parking rights, the person must be registered with the GRF Stock
 1924 Transfer office.

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SEAL BEACH MUTUAL NO. FOURTEEN**Rules and Regulations****6.11. Section 6.11 – Contractor and Service Vehicle Parking.**

Contractors' vehicles must comply with all rules set forth herein and must not obstruct or park on the sidewalk. Contractor and service vehicles, including personal vehicles driven by workers, shall not be parked on Mutual Property (Trust Streets included) overnight without a permit.

6.12. Section 6.12 – Overnight Parking Permits.

6.12.1. Resident overnight parking is prohibited without a Security Department-issued vehicle decal or Overnight Parking Permit.

6.12.2. Overnight parking by Commercial Vehicles, equipment, and materials utilized in authorized activities conducted for the Mutual or its Qualifying Residents is not permitted without an Overnight Parking Permit issued by the Security Department. This restriction shall not apply to Commercial Vehicles parked in assigned rental spaces in Allen's Alley by Clubhouse 2 (Two).

6.12.3. The Overnight Parking Permit must be displayed face-up on the driver side dashboard of the motor vehicle, or prominently affixed to the front of trailers or equipment.

6.12.4. The following vehicles and equipment are prohibited from parking on Trust or Mutual Streets at any time between the hours of 12:00 a.m. and 7:00 a.m., unless otherwise addressed in these Rules: (i) Vehicles not displaying a valid GRF decal or Overnight Parking Permit; (ii) Recreational Vehicles – except as provided below in Section 6.13, "Recreational Vehicles Restrictions"; and (iii) Commercial Vehicles, construction/maintenance equipment, storage, and disposal units, building materials.

6.13. Section 6.13 – Recreational Vehicles (RV) or Vehicle Use for Recreation (VUFR) Restrictions.

An RV or VUFR may be parked on Mutual Property only when meeting all of the following conditions:

6.13.1. RV parked at any Mutual Property facility MUST have Security Department-issued decal or a parking permit.

6.13.2. RV or VUFR is parked up to 48 (forty-eight) hours for the purpose of loading or unloading.

6.13.3. Other activities, such as sleeping or resting in the RV or VUFR, and vehicle maintenance are not allowed.

6.13.4. RV or VUFR must be parked with engine and accessory equipment (e.g., exterior lights, air conditioner, audio, and video equipment) shut off. The generator may ONLY be used between the hours of 8:00 a.m. and 8:00 p.m. while loading or unloading the vehicle.

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- 1970 **6.13.5.** Extensions such as slide-outs, tilt-outs, and awnings must be
 1971 closed. Steps must not block the sidewalk.
 1972 **6.13.6.** RV or VUFR may not be attached to any external power supply.
 1973 **6.13.7.** Leveling jacks, if used, must include a base plate sufficient to
 1974 prevent damage to pavement.
 1975 **6.13.8.** No animals or children are to be left unattended on or within any
 1976 RV or VUFR at any time.
 1977

6.14. Section 6.14 – Repairs.

1978
 1979 Vehicles may not be rebuilt or rehabilitated, major service may not be
 1980 performed, and fluids may not be changed on any Mutual Property.
 1981

6.15. Section 6.15 – Washing.

1982
 1983 All washing of vehicles must be done at the car and RV washing areas
 1984 behind Clubhouse 2 (Two). Vehicles must have a GRF decal. Non-Residents
 1985 shall not be permitted to wash their vehicle anywhere on Mutual Property.
 1986

6.16. Section 6.16 – Trust Property Parking Areas.**6.16.1. Clubhouse One.**

1987
 1988
 1989 Parking next to the Wood Shop is prohibited between 11:00 p.m.
 1990 and 7:00 a.m. Parking is prohibited between 11:00 p.m. and 7:00
 1991 a.m. in the spaces on the west side of the clubhouse (Burning
 1992 Tree). Parking is permitted up to 72 (seventy-two) hours in the lot
 1993 across from the clubhouse next to the golf course.
 1994

6.16.2. Clubhouse Two.

1995
 1996 Parking next to the Wood Shop and car wash is prohibited
 1997 between 11:00 p.m. and 7:00 a.m. Parking is prohibited between
 1998 11:00 p.m. and 7:00 a.m. in the spaces on the east side of the
 1999 clubhouse (El Dorado). Parking is permitted up to 72 (seventy-
 2000 two) hours in the lot between the clubhouse and the RV lot.
 2001

6.16.3. Clubhouse Three & Four.

2002 The three (3) approved locations within the Clubhouse 4 (four)
 2003 parking lot are for temporary RV and VUFR use, subject to the
 2004 terms and conditions noted in this Section 4.17.3. Available permit
 2005 parking is limited. Spaces are allotted on a “first come first served”
 2006 basis. There is an exception for Radio Club Yellow Emergency
 2007 Van Innovative Cleaning Service Vehicles.
 2008

6.16.3.1. Identification.

2009 All RVs and VUFRs must be registered with the Security
 2010 Department and display a parking permit in order to park
 2011 in the noted locations. If the RV or VUFR does not have

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a windshield, the identification must be placed on the king pin of a fifth wheel or the tongue of a trailer.

6.16.3.2. RVs and VUFRs.

Shareholders, Qualifying Residents, and guests may park a RV or VUFR temporarily in the noted locations for the purpose of loading and unloading and preparing the vehicle for travel or storage, subject to these Rules and Regulations and the Rules and Regulations of GRF. Shareholders, Qualifying Residents and Guests must notify Security Department immediately when entering the community with their RV or VUFR. This notification is required in order to park temporarily for a term as follows: Shareholders may temporarily park one (1) RV (and boat or trailer) or VUFR at a time in the approved location within the Clubhouse Four (4) parking lot for a maximum of twenty-one (21) days at no charge.

A second term will be allowed within twelve calendar months, provided that the RV or VUFR has been out of the community for no less than one hundred eighty (180) days. Guests may park one (1) RV (and boat or trailer) or VUFR at a time temporarily in the approved location within the Clubhouse Four (4) parking lot for a maximum of fourteen (14) days at no charge. An additional seven (7) days are available with a fee. See section below. A second term will be allowed within twelve calendar months provided that the RV or VUFR has been out of the community for no less than one hundred eighty (180) days. In the event of an unexpected medical and or mechanical emergency, the Security Chief, Deputy Security Chief, or Executive Director may grant a limited extension not to exceed seventy-two (72) hours. In the absence of the Security Chief or Executive Director, the Watch Commander or Deputy Chief may grant extensions until return of the Security Chief or Executive Director. The Security Chief must make a monthly report of all permitted vehicles to the Security Bus and Traffic Committee (SBT).

Failure to comply may result in towing of the vehicle at the owner's expense.

6.16.3.3. Use of an RV or VUFR.

Shareholders, Qualifying Residents, and guests may live in an RV or VUFR parked in the community for a

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maximum of seven (7) days. This includes sleeping, cooking or any other activities not associated with preparation of the vehicle for travel or storage. No animal or child shall be left alone in a vehicle at any time.

6.16.3.4. Parking Feed for an RV or VUFR.

Shareholders and Qualifying Residents who park one (1) RV or VUFR within the Mutual for twenty-one (21) days or less will not have to pay a fee. Any guest of a Shareholder or Qualifying Resident who park one (1) RV or VUFR within the Mutual for fourteen (14) days or less will not have to pay a fee. Any Guest of a Shareholder or Qualifying Resident who parks one (1) RV or VUFR within the Mutual for more than fourteen (14) days, must pay a rate of twenty dollars (\$20.00) per day for the following seven (7) days. No Guest of a Shareholder or Qualifying Resident may park an RV or VUFR within the Mutual for a period longer than twenty-one (21) days. Payment is to be remitted to the Security Department at the time the Parking Permit is issued. Payment is only accepted in the form of a check. All other types of payments will be made at the Finance Department.

6.16.4. Building Five, Clubhouse Six, Healthcare Center, Administration and Alley.

No overnight parking is permitted, except that Security Vehicles, CARE ambulances, Pharmacy delivery vehicles, and Two (2) Healthcare Vehicles, 24 Hour Nurse, HCC Golf Cart, GRF Vehicles, and Innovative cleaning service vehicles may park overnight.

6.17. Section 6.17 – Amphitheater.

No Shareholder may park in any space marked for "Staff" or HCC between the hours of 7:00 a.m. to 6:00 p.m., Monday through Friday. The parking space designated for the HCC 24-Hour Nurse may never be used by anyone else except that employee and the HCC Golf Cart.

6.18. Section 6.18 – Bicycles/Tricycles/Mobility Scooters.

Bicycles, tricycles, or mobility scooters may not be parked in any manner as to interfere with foot or vehicle traffic. Bicycles must be parked utilizing parking racks where provided. The Mutual is not liable for damaged, lost, or stolen property. Attended bicycles, tricycles or mobility may be parked off pavement, but only in such a manner as not to damage landscaping.

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Parking on a sidewalk is prohibited. Parking in Mutual 14 parking spaces is prohibited other than in assigned carports. Except for employees working in Leisure World, visitors residing outside Leisure World may ride bicycles, tricycles or mobility scooters on Mutual sidewalks or streets only if accompanied by a Qualifying Resident.

6.19. Section 6.19 – Carport Use.

When a Shareholder moves in, they are assigned one carport space. If shareholders have more than one car or have a golf cart or scooter, they may rent or use another shareholder's carport space if both agree and they have signed the Carport Usage/Rental Agreement. The executed agreement must be recorded at the Stock Transfer Office to be valid. Unauthorized use of any empty carport space may result in the vehicle/golf cart/scooter being towed at the expense of the owner of the vehicle.

Carports are to be used for parking of self-propelled land vehicles in operating condition. All passenger vehicles that can be operated on city streets MUST have a current DMV registration, license plate tags, and sufficient insurance as mandated by the State of California Vehicle Code (CVC) Section 22658. All vehicles, parked in the carport must have a Seal Beach Leisure World (SBLW) decal issued by the Security Department affixed and displayed on the lower left windshield; however, the Mutual Board may waive the requirement to display and affix the SBLW decal ONLY in unique and rare circumstances (contact the Mutual Board for consideration). Any vehicle that is not compliant with these rules may be towed at the owner's expense and as specified in CVC Section 22658. Any stored items in the carports must be completely contained in the carport cabinets, and no items can be hung from the walls or the ceiling of the carports. Current fire regulations prohibit the storage of fuel or any combustible material in the carport areas. When parked in the carports, all vehicles must be headed inwards and must not protrude outwards beyond the dripline. Mechanical repairs on vehicles are not permitted except for minor maintenance such as jumping of a battery, checking, or adding oil or water, or changing wiper blades. Changing of oil is not permitted. No person shall park any vehicle in any carport not assigned to them without permission from the affected shareholder. 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 spill or the Mutual will have them cleaned up. In such case, the shareholder will be billed for the cost. ALL hazardous waste materials, including kitty litter, must be disposed of at any Orange County Approved Hazardous Waste Site. The carport floor space may NOT be used as a storage area, whether free-standing or in any type of container. Boats or

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trailers of any size or kind may not be parked in the carport. Any damage to the carport is the responsibility of the assigned shareholder, not any renter of a carport. Only a Bicycle, Tricycle, folding shopping cart, ladder or blue 55-gallon water barrels may be stored under the cabinet in the Shareholder's assigned or rented space. At each inspection of the carports by the Mutual Board representative, a notice will be given to the shareholder whose carport is in violation of this policy. Improperly stored material must be removed within ten (10) days, or the material will be removed at the Shareholder's expense. In order to accommodate routine cleaning and property servicing, Shareholders may not store an inoperable vehicle in a carport space. Shareholders that park an electrical vehicle in Mutual Fourteen Carports, with the exception of golf carts, are required to have liability insurance in the amount of no less than one million dollars (\$1,000,000).

6.20. Section 6.20 – Carport Assignments.

Carport assignments are controlled by the share of Stock purchased by the Shareholder and a record of such assignments is kept in the Stock Transfer Office of GRF. Shareholders desiring to change carport assignments must negotiate the new arrangement on their own and obtain approval from the other Shareholder and record the temporary exchange in the Stock Transfer Office. At transfer/sale, the carport must be returned.

6.21. Section 6.21 – Secondary Carport Storage Cabinets.

Shareholders are permitted to have a secondary carport storage cabinet installed beneath the existing cabinet with approval of the Board of Directors and a permit from the GRF Physical Property Department. The cabinet shall be built per the dimensions and specifications shown in this policy. The paint and hardware must match the existing cabinet. The maintenance and damage to carport cabinets is the responsibility of the Shareholder. Carports that have secondary storage cabinets below the original cabinets may have ladders attached to the cabinets or walls. Any other construction which involves the Mutual's carports, walls, floors, beams, or ceilings is not permitted.

6.22. Section 6.22 – Electric Carts, & Golf Carts, and Cars**6.22.1. Golf Carts and LSV's.**

Shareholders who own oversized golf carts or LSVs (low speed vehicles) that are designed to carry more than four people must park these vehicles on the street, in the carport or a designated parking spot. Any cart damaging a sprinkler will result in the owner being responsible for any damage.

6.22.2. Electrical Car Chargers.

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Shareholders who wish to install electric car chargers and park their vehicle in a Mutual 14 carport must first obtain approval from the Mutual. Within 14 days of approval, and annually thereafter, they must provide a certificate of insurance that names the Mutual as an additional insured under the shareholder's insurance policy in the amount of not less than one million (\$1,000,000.). Additionally, they must sign an Indemnity Agreement holding Mutual 14 harmless for any damage.

6.23. Section 6.23 – Sidewalk Traffic Restriction.**6.23.1. Gasoline-Powered Vehicles.**

Two-wheeled gasoline-powered vehicles, are prohibited from using sidewalks in the Mutual. Exceptions shall be limited to the following: (i) Emergency medical vehicles belonging to the Health Care Center; (ii) Service vehicles designated for sidewalk use belonging to GRF; (iii) Service vehicles designated for sidewalk use belonging to contractors or vendors doing business with Qualifying Residents, Shareholders, or corporations (such as newspaper carriers). This exception does not include mopeds and motor scooters.

6.23.2. Roller Skates, Rollerblades, Skateboards, Scooters.

Due to potential safety hazards, visitors in the Mutual who are the responsibility of the Qualifying Residents may not use roller skates, roller blades or skateboards or scooters (motorized or other) on Mutual sidewalks or streets. Except that employee working in Leisure World, and visitors residing outside of Leisure World, may ride Bicycles or Tricycles on Mutual sidewalks or streets only if accompanied by a Qualifying Resident.

6.23.3. Golf Carts or LSVs.

Shareholders may operate a golf cart or LSV less than 48" in width on a sidewalk. Larger golf carts or LSVs are not permitted to be operated on sidewalks. Shareholders should never exceed five (5) miles per hour on any sidewalk regardless of the time of day. Unless an emergency exists, Shareholders driving golf carts, LSVs, or any other vehicle may not use a sound device to alert pedestrians of their presence. Passing a pedestrian on a sidewalk is acceptable ONLY if the pedestrian acknowledges the driver's presence and invites them to pass. Only soft-voice alerts such as "good morning" are acceptable to alert pedestrians of the vehicle's presence. Pedestrians always have the right-of-way on sidewalks, followed by, in order of priority, non-powered wheelchairs, power wheelchairs, mobility scooters, Tricycles and Bicycles.

SEAL BEACH MUTUAL NO. FOURTEEN**Rules and Regulations****6.23.4. Shareholder Responsible for Injury or Damage.**

Damage caused by a Shareholder or a Shareholder's caregiver, family member, guest, or vendor shall be the responsibility of the Shareholder.

6.23.5. Health Care Center and/or GRF Golf Carts or LSVs.

Golf carts or LSVs that are designed for sidewalk use and belong to the Health Care Center (HCC), GRF, or contractors or vendors doing business with Shareholders of the Mutual may use Mutual sidewalks for business-related purposes. Damage caused by contractors or vendors must be reported immediately to the GRF Security Department and a Mutual Director or risk being permanently banned from the Mutual. Damage caused by contractors or vendors shall be their responsibility.

6.23.6. Newspaper Carrier Golf Carts or LSVs.

Newspaper carriers and the like using golf carts or LSVs shall use Trust Streets and carport roadways whenever possible. Carriers shall adjust their routes of travel whenever noise complaints are lodged against the carrier. The Mutual reserves the right to restrict the use of motorized vehicle deliveries or newspapers prior to 8:00 a.m.

6.24. Section 6.24 – Towing.

Under the provisions of the California Vehicle Code, Section 22658, the Mutual has the authority to have a vehicle towed from its property. In every instance of infraction to this Article IV, or any other applicable rules of the Mutual, the Mutual will seek an agreed-upon resolution, but with due consideration to the overriding interests of the entire Mutual, reserves its authority to have a vehicle towed from the premises pursuant to California Vehicle Code Section 22658. The Mutual will remove vehicles parked on Mutual property that are inoperable, abandoned, blocking a fire lane, or are parked in such a manner as to constitute a hazard and/or that are in violation of Mutual Rules, and reserves the right to tow any vehicle parked in violation of these Rules pursuant to the provisions of California Vehicle Code Section 22658

6.24.1. Towing Signage.

In conformance with Vehicle Code Section 22658, appropriate signage will be posted at all entrance gates warning all who enter Leisure World that it is private property, and unauthorized or illegally parked vehicles will be towed away at the vehicle owner's expense. The towing signage will also contain all information required by Vehicle Code Section 22658.

6.24.2. Immediate Towing.

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2264 Security Department will advise the Mutual Board when vehicles
 2265 are in violation and may require immediate action/removal: (1)
 2266 Violation of Mutual Rules and Regulations related to
 2267 safety/access/flammable materials; (2) Violation of the Fire Lane
 2268 Regulation CVC 22953(b); (3) Violation of the Fire Hydrant
 2269 Regulation. If approval is received from the Mutual, Security
 2270 Department will notify the towing company to respond and meet
 2271 the designated Mutual representative(s). A private property towing
 2272 form will need to be signed by a Mutual representative authorizing
 2273 the towing company to remove and store the vehicle.
 2274

6.24.3. Towing Procedure.

2275
 2276 If a parking violation does not require immediate action or removal,
 2277 the Security Department will attach a 72-hour warning notice to the
 2278 vehicle, informing the vehicle owner of the violation and intent to
 2279 tow upon non-compliance. A copy of the 72-hour warning notice
 2280 will be provided to the Mutual Administration Department for
 2281 processing. After the 72-hour period, Security Department will
 2282 check for compliance and report their findings back to the Mutual
 2283 Administration Department. If the Mutual approval to remove the
 2284 vehicle is received upon confirming non-compliance to the 72-hour
 2285 tow notice and/or receipt of the registered letter, a tow truck will be
 2286 appointed to remove and store the vehicle. Security Department
 2287 will maintain a current log of all towing transactions to direct
 2288 vehicle owners to the appropriate towing company. This Section
 2289 6.25 applies to all vehicles - automobiles, motorcycles, Vespa-type
 2290 scooters, golf carts, scooters – any motor operated vehicle –
 2291 whether parked in carports, on Mutual streets and/or in marked
 2292 parking areas.

6.24.4. Violations of Article IV.

2293
 2294 The Board will review the case of any Mutual Qualifying Resident
 2295 whose record of violation is referred to the Board, and take one or
 2296 more of the following actions: (1) Direct a letter of warning to the
 2297 offender; (2) Appoint a Director or a Committee to confer with and
 2298 warn the offender; (3) Summon the offender to a regular or special
 2299 Board meeting for a conference/ warning; (4) Take Board action to
 2300 find the offender in violation of the Occupancy Agreement and
 2301 order eviction. Anyone (1) violation can be immediately referred to
 2302 the Board for action. The Security, Bus and Traffic Committee of
 2303 GRF will be informed of action taken and its apparent results in
 2304 each instance cited above.
 2305

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Laundry room facilities are available for use solely by Shareholders of the Mutual, except that a caregiver, hired help, or family member of a Shareholder may use the laundry room facilities to do that Shareholder's laundry. Shareholders must oversee and instruct the caregiver, hired help, or family member when the Shareholder's laundry is being done. Caregivers, hired help, or family members may not wash their own laundry in the Mutual's laundry room. Shareholders are responsible for any damage to the laundry room facilities when Shareholder, their caregiver, their hired help, or their family member is doing the shareholder's laundry. Laundry room facilities are to be used for washing and/or drying only.

7.2. Section 7.2 – Dying/Tinting Fabrics Prohibited.

Clothing or fabrics may not be dyed or tinted in the washers or dried in the dryers.

7.3. Section 7.3 – Items with Metal Buttons/Clips.

Clothing or other items with metal buttons, clips, etc. must be placed in a small cloth bag or pinned inside a pillowcase when being washed or dried.

7.4. Section 7.4 – Out of Order Machines.

When a washer or dryer is out of order, place an "Out of Order" sign on the machine, call the posted number for National Wash and report the out of order machine.

7.5. Section 7.5 – Hours of Operation.

Laundry room facilities are available for use between the hours of 7:00 a.m. and 9:00 p.m. only.

7.6. Section 7.6 – Prohibited Items.

The following items may not be washed in the washers or dried in the dryers: fiberglass curtains or drapes, sleeping bags, heavy blankets, quilts, comforters, car covers, carpet runners, and other oversized items. Athletic shoes may be washed in the washers, but not dried in the dryers. Any clothing or fabric that has been cleaned in a flammable liquid may not be washed in the washers or dried in the dryers. Bathmats or kitchen rugs that are 2.5' by 3.5' or smaller may be washed in the washers, but they may not be dried in the dryers (these rugs may be hung on the clothesline for drying). Hand-washed clothing or other items may not be placed in the dryers due to the excessive amount of water contained in them. Use the exterior

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clothesline for hand-washed items, if desired.

7.7. Section 7.7 – Safety.

The Shareholder is responsible for cleaning up after himself/herself. If the Shareholder feels a dangerous situation or safety problem presents itself in a laundry room that cannot be corrected by the Shareholder, the Shareholder may call their Mutual director. Smoking is prohibited in or around the laundry rooms and exterior clothes drying areas. Clean the dryer filter after each use and dispose of lint in the trash containers.

8. ARTICLE VIII – SECURITY CAMERAS/DRONES/SATELLITE DISH**8.1. Section 8.1 – Installation of Security Cameras.**

No Shareholder may install a surveillance camera or make any other alteration to the Mutual's property. Accordingly, no cameras may be installed on the exterior of a building or anywhere outside the boundaries of a unit. Shareholders may place cameras inside their unit windows, subject to the following restrictions:

8.1.1. No camera may be trained or focused on the interior of another Unit, on another Unit's front door, or anywhere else other Shareholders have a reasonable expectation of privacy. Security cameras shall not encroach upon common areas of the Mutual or another Shareholder's Unit.

8.1.2. The use of cameras for surveillance or security proposes is done at the installing Shareholder's own risk and such Shareholders understand that cameras may serve as a deterrent but may not actually prevent crime.

8.1.3. Allowing Shareholders to install cameras within their own units, in no way implies any responsibility whatsoever on the part of the Mutual. The Mutual shall not be held liable, or otherwise responsible, for damaged property, illegal activity, and/or risk to life or limb, or any safety or security problem. All Qualifying Residents and their guests are encouraged to provide their own security measures and take safety precautions as necessary, subject to the limitations set forth in the Mutual's Governing Documents. Each Shareholder is responsible for providing their own insurance coverage in the case of criminal activity, property damage, and/or liability.

8.1.4. Shareholders are responsible for all costs associated with the installation, operation, and maintenance of the security cameras.

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- 8.1.5.** Shareholders may not install security cameras in a manner that increases maintenance costs for the Mutual. Shareholders shall be responsible for all repairs and maintenance costs incurred due to the installation of security cameras wherever located.
- 8.1.6.** Shareholders shall indemnify the Mutual and/or its Shareholders for loss or damage caused by the installation, maintenance, or use of the security cameras, including but not limited to any injuries sustained and/or medical costs incurred to any persons installing, maintaining and/or removing security cameras.
- 8.1.7.** Any Contractor employed by Shareholders to provide security camera installation, maintenance or removal services must hold all licenses which may be required by state law and/or local ordinance, and maintain a current policy of public liability, workers compensation, and property damage insurance which does not contain any endorsements or exclusions for work performed at common interest developments. The Mutual, the Mutual's managing agent, and the installing Shareholder(s) shall be named as additional insureds on the installer's policy of insurance.
- 8.1.8.** Any incursion into the structure (roofs, walls, etc.) that results in damage or water/moisture penetration and any costs incurred related to such damage shall be the sole responsibility of the Shareholders to fully reimburse the Mutual to repair and remediate such damage.
- 8.1.9.** If the security camera is removed for any reason, the Shareholders shall remediate any holes and/or penetrations that were made relative to the installation of the security camera. Shareholders shall be solely responsible for restoring the exterior of the Unit, any Mutual property, and/or any common area within the Mutual to its original condition, prior to the installation.
- 8.1.10.** When a Shareholder sells his/her Unit, the Shareholder shall require the new Shareholder to accept responsibility in writing or to remove the security camera and its associated components of the installation and restore the property as described above. Should the new Shareholder fail to accept such responsibility, the Shareholder is responsible for removing any security cameras installed.
- 8.1.11.** Any video footage recordings made by the Shareholder's security cameras are the sole property and responsibility of the Shareholder. The Mutual shall bear no responsibility nor have any liability for the recordings. The Shareholder shall indemnify the Mutual and its managing agents in the event any loss or damage is caused due to any unlawful recording and/or dissemination of

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- 2432 video footage obtained by the security camera, by the Shareholder
 2433 and/or any third party.
- 2434 **8.1.12.** Pursuant to California Penal Code section 632, it is unlawful to use
 2435 a recording device to record the communication between parties,
 2436 without the consent of all parties to a confidential communication.
 2437 Individuals may have an expectation of privacy in their
 2438 conversations and any security camera installed should not record
 2439 audio.
- 2440 **8.1.13.** All installations of security cameras shall be completed so that no
 2441 damage is sustained to the Mutual property, common area, and/or
 2442 the property of any Shareholder, or in any way impair the integrity
 2443 of any buildings, Mutual property, common areas and/or the
 2444 property of any Shareholders within the Mutual. No installation of
 2445 any security cameras shall void any Mutual and/or any
 2446 Shareholder's warranty and/or insurance policies.
- 2447 **8.2. Section 8.2 – Unmanned Aerial Flights Vehicles (Drones).**
 2448 The recreational flight of drone aircraft is prohibited over all Mutual property.
 2449 The only circumstances under which drone aircraft may operate in the air
 2450 over Mutual property are as follows:
- 2451 **8.2.1.** In the event of an emergency declared by local, state, or federal
 2452 authority, or by an authorized officer of the Golden Rain
 2453 Foundation, or the Executive Director of the GRF, or an officer of
 2454 Mutual Board of Directors. Proper documentation of the
 2455 qualifications of those operating the drone and liability insurance
 2456 will be required; or
- 2457 **8.2.2.** A commercial drone flight, at the invitation of the Mutual Board, for
 2458 purposes determined to be necessary and beneficial to Mutual
 2459 shareholders. Proper documentation of the qualifications of those
 2460 operating the drone and liability insurance will be required.
 2461 Any violation of this Section 6.3 shall be considered a trespass,
 2462 and the Leisure World Security staff will be called upon to bring
 2463 such trespass to an end in a peaceful manner with or without the
 2464 assistance of the Seal Beach Police Department.
- 2465
- 2466 **8.3. Section 8.3 – Satellite Dish.**
 2467 Any Shareholder that wishes to install a satellite dish, must adhere to the
 2468 following: (1) Shareholder must obtain a permit to install the satellite dish
 2469 from the Physical Property Department of the GRF prior to having a satellite
 2470 dish installed; (2) Shareholder must ensure that the licensed company
 2471 complies with all GRF Physical Property Department and Mutual
 2472 Fourteen's policies, rules and regulations; (3) Shareholder understands that
 2473 the Mutual has the authority to remove the satellite dish at Shareholder's

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expense if a permit is not obtained from the Physical Property Department; (4) Any damage which may occur to the building or roof during installation, or during the operation of the satellite dish, is the responsibility of the Shareholder and will be paid by the Shareholder; (5) Shareholder must maintain the satellite dish in good condition, both aesthetically and functionally. Should Shareholder fail to maintain the satellite dish in good condition, the satellite dish will be removed at the Shareholder's expense; (6) Shareholder must remove the satellite dish upon the sale or transfer of Unit, at the Shareholder's expense, unless the purchaser of the Unit is willing to sign an indemnity and release agreement with the Mutual; (7) Shareholder's contractor must install and wire the satellite dish pursuant to the Mutual's requirements and conditions for a satellite dish.

8.3.1. Mutual Requirements and Conditions for a Satellite Dish; Mountain Locations; Cable Routings; Groundings.

8.3.1.1. Obtain a GRF permit prior to the installation.

8.3.1.2. The maximum size of the satellite dish is not to exceed thirty-six (36) inches.

8.3.1.3. The southern view must not be obstructed at any time. There can be no obstructions, such as trees or structures, between the dish and the satellite. Seasonal foliage, future growth of existing trees, possible remodeling or additions to the Shareholder's Unit or adjacent units and changes in landscaping must be considered when installing the satellite dish.

8.3.1.4. All satellite dishes must be stable and secure and must be able to withstand winds.

8.3.1.5. The installation of the satellite dish shall be done in accordance with the current National Electrical Code, installed by a licensed television company that meets all Foundation and Mutual insurance requirements.

8.3.1.6. Direct roof mount is not allowed due to the required roof penetration.

8.3.1.7. Roof vent mount is allowed. When mounting a satellite dish to a roof vent, the top of the satellite shall not be higher than four feet (4') above the top of the roof line.

8.3.1.8. Routing must not break through any roofing or framing – vent pipe flashing only.

8.3.1.9. All entry points into the Unit and any and all test holes must be sealed with approved sealant to prevent water seeping into the Units.

8.3.1.10. Fire Wall Penetration – Fire – Resistive Wall Partitions and Floors: Such penetrations shall be completed per

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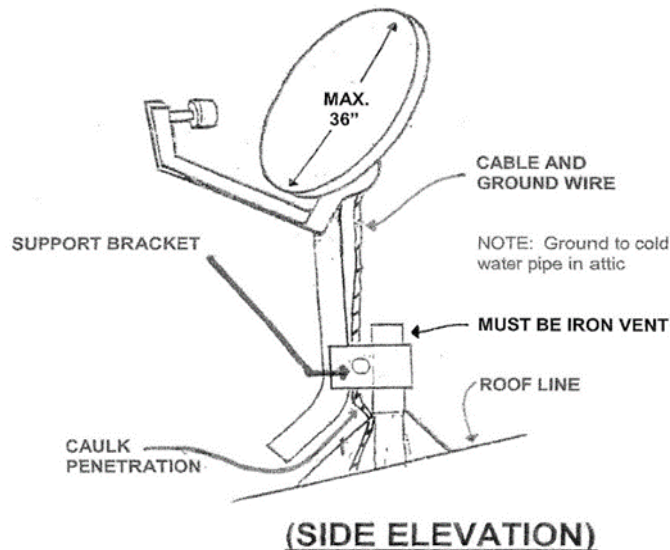
the current Uniform Building Code (UBC), Sections 709 and 710.

8.3.1.11. All openings made through a ceiling for penetrations such as cables, cable tracks, conduit, pipes or tubing shall be protected with approved through-penetration fire stops.

8.3.1.12. Vent mount installations require the cable and ground wire from the dish to follow the vent pipe into the attic area. Approved tar sealant must be applied where cable enters vent pipe flashing. A half- inch slit at the top of the roof jack is allowed to feed the cable alongside of the vent pipe. Approved silicone sealant must be used around this area.

8.3.1.13. Local electrical installation codes and the current National Electrical Code require the satellite dish to be grounded.

8.3.1.14. Use ground wire to connect the satellite dish to a metal cold water pipe using a grounding clamp and following the guidelines.



9. ARTICLE IX – WILDLIFE

9.1. Section 9.1 – Prohibition on Feeding Non-Domesticated Wildlife.

For purposes of this Article, non-domesticated wildlife is described as all members of the wild bird family, including but not limited to, hawks, owls, pigeons, doves, crows, and black birds, as well as other wildlife such as rabbits, opossums, raccoons, squirrels, rats, coyotes, and feral cats. In compliance with California Code Section 251.1, no Shareholder shall feed

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any non-domesticated wildlife on Mutual property.

9.2. Section 9.2 – Pet Food and Standing Water.

Pet food and standing water sources are prohibited on porches, in carport areas, and in gardens.

9.3. Section 9.3 – Bird Feeders.

Bird feeders with bird seed of any type are not allowed at the unit or anywhere on Mutual property including hanging from trees or other support devices. A hummingbird-type feeder with liquid food is permitted at a Unit, but not on common area Mutual property, including but not limited to hanging from trees or other support devices.

10. ARTICLE X – BARBECUES**10.1. Section 10.1 – Use of Barbecues.**

Propane, butane, or electric barbecues shall only be used in an outdoor location that is at least 10 feet away from all structures. After barbecuing, the barbecue may be left in place overnight to allow the appliance or electric to cool down. Charcoal barbecues are not permitted.

10.2. Section 10.2 – Prohibited Use of Barbecues/Patio Heaters.

Propane, butane, or electric barbecues shall not be used under a porch roof due to the possibility of large flare-up flames while cooking. Barbecues shall not be used underneath the eaves. Propane, butane, or electric barbecues shall never be used inside a Unit for cooking, heating, or storage purposes. All heaters are allowed and to be used and stored in the same safe manner as propane or butane. barbecues. Wood patio heaters and/or barbecues are still not allowed.

10.3. Section 10.3 – Storage of Barbecues.

Propane, butane, or electric barbecues may be stored on the outside, open porch of a ground floor Unit, but never stored in an enclosed porch. If a Unit has no porch, the barbecue must be covered and stored in the garden area adjacent to the main entry walkway. Propane, butane, or electric barbecues shall not be stored inside a Unit. Propane, butane, or other compressed gas shall not be stored on an enclosed porch or inside a Unit.

11. ARTICLE XI – PETS**11.1. Section 11.1 – Definition of Pet.**

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A pet is any domesticated bird, cat, dog, aquatic animal kept within an aquarium, or other animal as agreed to between the Mutual and the homeowner.

11.2. Section 11.2 – Number of Quadruped Pets.

The number of quadruped pets per Unit shall be restricted to one.

11.3. Section 11.3 – Number of Birds.

The number of birds per Unit shall be restricted to four.

Birds brought into the Mutual as pets must be examined by a veterinarian, vaccinated against all infections, and certified to be free of the avian flu virus. Birds shall be kept inside the Shareholder's Unit at all times and are not allowed in the porch area. The Shareholder is responsible for the safe disposal of cage debris. The debris must be sealed in a plastic bag and placed in the trash bin in order not to attract rodents to the area. Birds must be quiet enough not to disturb the Shareholder's neighbors. Except for the number limitation, the same general rules shall be applicable for birds as for quadruped animals.

11.4. Section 11.4 – Prohibited Animals.

All members of the reptile, arachnid, and monkey families, as well as any raucous-voiced birds, are prohibited; however, a reptile, such as a small lizard or turtle that is housed in a terrarium or aquarium, is permitted. At no time shall it be appropriate for Shareholders to house or maintain within the confines of the Mutual any animal commonly known as a farm animal, domesticated farm animal, or any animal commonly maintained on a farm for the purpose of breeding for its fur, feathers, byproducts, or for human consumption, or as may be found in specialty meat markets. Farm animals may include, but are not limited to duck, goose, chicken, potbellied pig, piglet, cow, calf, goat, rabbit, lamb, miniature horse, pony, etc.

11.5. Section 11.5 – Weight Restrictions.

No pet which is expected to weigh in excess of twenty-five (25) pounds and a height limit of 15" high at full maturity may be kept within the Mutual.

11.6. Section 11.6 – Pets Prohibited in Common Area.

Pets are prohibited from common area facilities, such as clubhouse facilities, library, Golf course, health care center, amphitheater, swimming pool area, Administration Building, lobbies, and laundry rooms. In all other permitted areas, the pet must be on a leash not longer than six feet and under the control of, and accompanied by, a Qualifying Resident and/or adult agent of the Qualifying Resident pet owner and/or responsible adult.

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In accordance with Seal Beach City Code, Section 3-10.26 - Maintaining Sanitary Conditions, persons allowing their dog or cat to defecate on property other than their own property, shall remove such feces immediately or be subject to a city fine of \$25. The Qualifying Resident pet owner shall immediately, and forthwith, remove any pet waste deposited by the pet in all common areas where said pet is permitted. The Mutual will impose a fine, per occurrence, on any Qualifying Resident pet owner who fails to immediately remove any such pet waste deposited by their pet. The imposed fine shall be \$25, per occurrence or the actual amount charged by the janitorial services company to have one of its employees remove the pet waste, if greater than \$25. The imposed fine shall be paid by the Qualifying Resident pet owner to the Mutual. It shall not be permissible to maintain a pet in a residence unless sanitary standards are maintained governing the disposal of pet waste. Qualifying Resident pet owners with properly registered pets shall be permitted to walk their pet while the pet is on a leash not longer than six feet for the purpose of exercising and/or depositing pet waste on any lawn area. At all times, the Qualifying Resident pet owner or responsible adult must have on their person, in plain view a plastic bag and/or a poop scoop device for the purpose of immediately removing any pet waste deposited on any lawn or ground area.

11.8. Section 11.8 – Requirements.

All quadruped pets brought into the Mutual by a Qualifying Resident pet owner shall have been spayed or neutered. Qualifying Resident pet owners are required to control noise and odor caused by a pet. Any noise or odor which adversely affects any other resident is not permitted. No quadruped pet may be left unattended in any dwelling area for more than four (4) hours. All pets must be under the Qualifying Resident pet owner's control in a Unit, so as not to be a hazard to security officers, maintenance staff, fire inspectors, paramedics, mail carriers or service providers, or other employees requiring access to a Unit where there are pets. Qualifying Resident pet owners who, on a temporary basis, allow a neighbor to assume responsibility for their pet for a period longer than four (4) consecutive hours must notify the Security Department of the temporary arrangement and provide a sign for the neighbor to post on the exterior of the neighbor's residence, near the front door, notifying service providers and employees who require access to the Unit in an emergency that a pet is temporarily being housed inside the Unit.

11.9. Section 11.9 – License Requirements.

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All pets to be living within the Mutual, before being registered for admittance, shall have been inoculated in accordance with all federal, state and local laws, and shall be licensed by the City of Seal Beach as required, and shall carry a current license tag on their collar. Said licensing shall be pursuant to all applicable local and state laws and regulations. All properly registered pets (cats and dogs) shall also be required to wear a bright- colored Mutual tag on their collar along with the license tag, thereby showing proof of registration with GRF. Pet owners must provide written documentary proof to GRF that the pet to occupy a Qualifying Resident's Unit is licensed pursuant to all applicable state and local laws and regulations and will carry a licensed tag as described herein. Pet owners must complete and sign a Pet Ownership Registration Form as prepared by GRF and/or the Mutual in which Qualifying Resident resides.

Further, the pet registration information and licensing must be updated on or before December 31 of each year.

The Mutual/GRF Pet Ownership Registration Form will include or be accompanied by: (1) A certificate signed by a licensed veterinarian or a state or local authority empowered to inoculate animals, stating that the quadruped pet has received all inoculations required by applicable state, and local laws; (2) Information sufficient to identify the pet, and to demonstrate that it is a common household pet; (3) The name, address, and telephone number of one or more responsible parties who will care for the pet if the pet owner dies, is incapacitated, or is otherwise unable to care for the pet; (4) A statement signed by the Qualifying Resident pet owner indicating that he/she has read these Pet Ownership Rules and agrees to comply with the contents therein. The Qualifying Resident pet owner shall acknowledge that the pet owner and the pet are subject to exclusion from the Mutual and the Unit if there is not a compliance with these Rules and registration requirements. The Qualifying Resident pet owner shall acknowledge that failure to comply with these Rules and registration requirements shall be grounds for refusing to permit a pet to be kept in a Unit of the Mutual, and continued violations may cause termination of the Qualifying Resident pet owner's residency.

11.10. Section 11.10 – Non-Resident Animals.

Pets not owned by a Qualifying Resident shall not be brought upon the premises of the Mutual. Qualifying Residents may not, even temporarily, keep a non-registered pet owned by another person in their Unit.

11.11. Section 11.11 – Cat Litter.

Qualifying Resident pet owners owning a cat, or another pet using a litter box, are required to change the litter at least twice each week. Qualifying Resident pet owners are required to separate the pet waste from the litter at

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least once each day. Pet waste shall be deposited in airtight plastic bags before being deposited in the trash or garbage bins. Do not flush kitty litter down the toilet, as this will cause a sewer blockage.

11.12. Section 11.12 – Insurance Requirement.

Qualifying Resident pet owners owning a cat or dog pursuant to these regulations shall procure a policy of liability insurance in an amount sufficient for the indemnification of other persons who may be injured by the pet of the Qualifying Resident with coverage in an amount sufficient to cover their personal liability.

11.13. Section 11.13 – Pet Ownership Decal.

Resident pet owners must display a pet ownership decal in a prominent location near the front door of their residence in order to alert security officers, maintenance staff, fire inspectors, mail carriers, or other employees requiring access to a Unit where there are pets.

11.14. Section 11.14 – Move Out Cleaning Requirements.

Resident pet owners, upon the sale of their Unit shall have the Unit treated professionally by a licensed pest control company prior to the close of escrow, at the pet owner's expense.

11.15. Section 11.15 – Mutual's Right to Remove Pets.

In the event of any emergency related to a pet, and in the event, there is no state or local authority (or designated agent of such an authority), the Mutual reserves the right to remove a pet that becomes vicious, displays symptoms of severe illness, or demonstrates other behavior that constitutes an immediate threat to the health or safety of other residents of Seal Beach Leisure World, and/or their guests. Subject to execution of an agreement by the Qualifying Resident pet owner, a representative of the Mutual, along with the Security Department, may enter the premises, if necessary, to remove the pet only if the Qualifying Resident pet owner refuses to remove the pet at the Mutual Corporation's request, or if the Mutual Corporation cannot contact the Qualifying Resident pet owner to make a removal request, and may take such action with respect to the pet as may be permissible under federal, state and local laws, which may include placing the pet in a facility that will provide care and shelter for a period not to exceed thirty (30) days. If the health or safety of a pet is threatened by the death or incapacity of the Qualifying Resident pet owner, or by other factors that render the Qualifying Resident pet owner unable to care for the pet, and pursuant to the authorization in the Pet Ownership Registration Form, the Mutual may contact a responsible party or parties listed on the Pet Ownership

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Registration Form for the purpose of removing and caring for the animal. If the responsible party or parties are unwilling or unable to care for the pet, the Mutual may contact the appropriate state or local authority and request the removal of the pet. If there is no state or local authority, the Mutual Corporation may remove the pet and place it in a facility that will provide care and shelter until the responsible party or representative may be contacted, or the Qualifying Resident pet owner is able to assume responsibility for the pet, but not for longer than thirty (30) days. The cost of the animal care shall be borne by the Qualifying Resident pet owner. In the event that no resolution, as related to the care of the pet under and pursuant to the above is made within thirty (30) days, the Mutual and/or GRF are authorized to deliver the pet to any local humane society or association, either private, state, federal, or county.

11.16. Section 11.16 – Pet Owner Liability.

The Qualifying Resident pet owner or Qualifying Resident pet owner's estate shall remain responsible for any and all damages, injuries and related expenses caused by the pet, which may include the payment of any legal expenses incurred by the Mutual and GRF in the enforcement of these Rules.

11.17. Section 11.17 – Violation of this Article IX.

In the event of a determination of a violation of these Rules, the Mutual shall serve a written notice of the pet rule violation on the Qualifying Resident pet owner. The written notice shall contain a statement of the factual basis for determining which violation has occurred to constitute alleged violation of these pet Rules. The written notice shall state that the Qualifying Resident pet owner has ten (10) days from the effective date of service of the notice to: (i) Correct the violation (including, in appropriate circumstances, removal of the pet); or (ii) Make a written request to hold a meeting with the Mutual Board to discuss the alleged violation. The Qualifying Resident pet owner is entitled to be accompanied by another person of his/her choice at a meeting if a meeting is requested. The Qualifying Resident pet owner's failure to correct the violation, to request a meeting, or to appear at a requested meeting, may result in an initiation of procedures to terminate the Qualifying Resident pet owner's occupancy in the Mutual.

11.18. Section 11.18 – Service Pets.

These Rules and Regulations concerning pets, including without limitation, Section 9.2 and 9.3 related to number of pets, and Section 9.4 related to weight restrictions, shall have no application to a Qualifying Resident with a bona fide service animal or animal required because of a physical disability

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of the Qualifying Resident, who requires a service animal specifically trained to assist the Qualifying Resident or to a Qualifying Resident or QPR who is otherwise entitled to a reasonable accommodation from complying with these Rules under applicable State or Federal law. Such Qualifying Resident or QPR may make such request for reasonable accommodation to the Mutual, which will consider each request on a case-by-case basis.

12. ARTICLE XII – ELECTION AND VOTING RULES AND REGULATIONS

The Board of Directors (“Board”) of Seal Beach Mutual No. Fourteen (“Mutual”) has adopted these Election and Voting Rules and Regulations (“Election Rules”), in accordance with Civil Code §5105, et seq., to establish certain procedural rules for the successful management of meetings of the Mutual’s shareholders (“Shareholders”) and the implementation of the relevant provisions of the Mutual’s Bylaws concerning elections and voting. These Election Rules are not intended to replace or supersede the provisions of the Mutual’s Bylaws. Notwithstanding the foregoing, these Election Rules were revised and adopted by the Board to comply with the changes to California Civil Code §§ 5100; 5105; 5110; 5115; 5125; and 5145 which take effect on January 1, 2020, pursuant to California Senate Bill 323. As such, any inconsistency between these Election Rules and the Bylaws shall be governed in accordance with the Civil Code. These Election Rules shall not be amended less than ninety (90) days prior to an election.

12.1. Section 12.1 – Qualification of Candidates and Directors/Elected Positions.

12.1.1. Candidates for election to the Board shall be Shareholders of the Mutual, and the Board shall be composed of seven (7) persons who shall, at all times, be Shareholders of the Mutual.

12.1.2. In order to be a candidate for election for Director or any other elected position, such Shareholder, as of the date ballots are distributed: (a) must be current in the payment of Regular and Special assessments ; (b) must not have a joint ownership interest, either directly or indirectly, in the same separate interest as another candidate or incumbent Director; (c) must have been a Shareholder of the Mutual for not less than one (1) year; (d) must not have a past criminal conviction that, if elected, would either prevent the Mutual from purchasing the fidelity bond coverage required by Civil Code §5806, or terminate the Association’s existing fidelity bond coverage. If title to a separate interest is held by a legal entity that is not a natural person, the governing authority of that legal entity shall have the power to appoint a

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- 2838 natural person to be a Shareholder for purposes of running for and
 2839 serving on the Board. Notwithstanding the foregoing, the
 2840 candidate shall not be disqualified for election for Director for
 2841 failure to be current in payment of Regular and Special
 2842 assessments if either of the following circumstances is true:
 2843 **12.1.2.1.** The candidate has paid the Regular or Special
 2844 assessment under protest pursuant to Civil Code §5658;
 2845 **12.1.2.2.** The candidate has entered into a payment plan pursuant
 2846 to Civil Code §5665. Furthermore, the Mutual shall not
 2847 disqualify the candidate pursuant to this Section 12.1(b)
 2848 if he or she has not been provided the opportunity to
 2849 engage in Internal Dispute Resolution pursuant to Civil
 2850 Code §§5900-5920.
 2851 **12.1.3.** In order to remain qualified to serve on the Board, at all times
 2852 during such Shareholder's term as a Director, the Shareholder
 2853 must: (a) remain current in the payment of Regular and Special
 2854 assessments; (b) not enter into a joint ownership interest, either
 2855 directly or indirectly, in the same separate interest as another
 2856 Director; (c) must remain a Shareholder of the Mutual; (d) must not
 2857 be convicted of a crime that would either prevent the Mutual from
 2858 purchasing the fidelity bond coverage required by Civil Code
 2859 §5806 or terminate the Mutual's existing fidelity bond coverage.
 2860 Notwithstanding the foregoing, the Director shall not be disqualified
 2861 for failure to be current in payment of Regular and Special
 2862 assessments if either of the following circumstances is true:
 2863 **12.1.3.1.** The Director has paid the Regular or Special
 2864 assessment under protest pursuant to Civil Code §5658;
 2865 **12.1.3.2.** The Directors has entered into a payment plan pursuant
 2866 to Civil Code §5665. Furthermore, the Mutual shall not
 2867 disqualify the Director pursuant to this Section 12.1(c) if
 2868 he or she has not been provided the opportunity to
 2869 engage in Internal Dispute Resolution pursuant to Civil
 2870 Code §§5900-5920.
 2871 **12.1.4.** The Board may declare vacant the seat of any Director who
 2872 ceases to meet the qualifications for a Director set forth in this
 2873 Section upon the occurrence of the non-qualifying event, and the
 2874 Director's seat shall then be deemed vacant in accordance with the
 2875 Association's Bylaws and/or the Corporations Code.
 2876
 2877 **12.2. Section 12.2 – Nomination Process.**
 2878 **12.2.1.** The Association shall send to all Shareholders a request-for-
 2879 candidates form, seeking nominations for candidates for the Board

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- and providing general notice of the procedure and deadline for submitting a nomination for election to the Board at least thirty (30) days before any deadline for submitting a nomination. Individual notice shall be delivered pursuant to Civil Code §4040 if individual notice is requested by a Shareholder.
- 12.2.2.** Nominations will be valid so long as the nominee has either nominated himself or herself or provides notice of acceptance of the nomination prior to the close of nominations.
- 12.2.3.** If a person or entity nominated is not qualified to serve on the Board pursuant to Section 1(b) of these Election Rules, and the candidate has been provided the opportunity to engage in Internal Dispute Resolution pursuant to Civil Code §§5900-5920, that candidate's name shall not appear on the ballot and that person or entity will not be permitted to serve if elected.
- 12.2.4.** The Inspector shall retain, as Mutual election materials, both a candidate registration list and a voter list. The voter list shall include the name, voting power, and either the physical address of the Shareholder's Unit, the parcel number, or both. The mailing address for the ballot shall be listed on the voter list if it differs from the physical address of the Shareholder's Unit or if only the parcel number is used. The Mutual shall permit Shareholders to verify the accuracy of their individual information on both lists at least thirty (30) days before the ballots are distributed. The Mutual or Shareholder shall report any errors or omissions to either list to the Inspector or Inspectors who shall make the corrections within two (2) business days.
- 12.3. Section 12.3 – Voting Qualifications of Shareholders.**
- 12.3.1.** All Shareholders shall be entitled to vote in any Shareholder vote.
- 12.3.2.** These Election Rules expressly:
- 12.3.2.1.** Prohibit the denial of a ballot to a Shareholder for any reason other than not being a Shareholder at the time when ballots are distributed.
- 12.3.2.2.** Prohibit the denial of a ballot to a person with general power of attorney for a Shareholder.
- 12.3.2.3.** Require the ballot of a person with general power of attorney for a Shareholder to be counted if returned in a timely manner; and,
- 12.3.2.4.** Require the inspector or inspectors of elections to deliver, or cause to be delivered, at least thirty (30) days before an election, to each Shareholder both of the following documents:

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- 2922 a. The ballot or ballots.
- 2923 b. A copy of these Election Rules. Delivery of
- 2924 these Election Rules may be accomplished by
- 2925 either of the following methods:
- 2926 • Posting these Election Rules to an
- 2927 internet website and including the
- 2928 corresponding internet website address
- 2929 on the ballot together with the phrase,
- 2930 in at least 12-point font: "The rules
- 2931 governing this election may be found
- 2932 here:"
- 2933 [http://www.lwsbmutual14.com/rules-](http://www.lwsbmutual14.com/rules-regulations-2/)
- 2934 [regulations-2/](http://www.lwsbmutual14.com/rules-regulations-2/)
- 2935 • Individual delivery.
- 2936 **12.3.3.** Each Shareholder shall have one (1) vote per stock owned. In no
- 2937 event shall more than one (1) vote be cast with respect to any
- 2938 stock. When more than one (1) person holds a stock, all such
- 2939 persons shall be deemed Shareholders, provided however, that
- 2940 the vote for such stock shall be exercised as a unit, in accordance
- 2941 with the provisions of the Mutual's governing documents. If two or
- 2942 more ballots are received for any one stock, the first ballot received
- 2943 shall be counted and the additional ballot(s) discarded.
- 2944
- 2945 **12.4. Section 12.4 – Inspector of Election.**
- 2946 **12.4.1.** At an open meeting, the Board shall appoint one (1) or three (3)
- 2947 persons to serve as independent Inspector(s) of Election
- 2948 ("Inspector(s)").
- 2949 **12.4.2.** The Inspector must be an independent third party who is not:
- 2950 **12.4.2.1.** Currently a member of the Board or a candidate for the
- 2951 Board.
- 2952 **12.4.2.2.** Related to a member of the Board or a candidate for the
- 2953 Board; or
- 2954 **12.4.2.3.** A person, business entity, or subdivision of a business
- 2955 entity who is currently employed or under contract to the
- 2956 Mutual for any compensable services other than serving
- 2957 as an Inspector of Elections.
- 2958 **12.4.3.** The Board may select as the Inspector(s), Mutual Shareholder(s),
- 2959 a volunteer poll worker with the County registrar of voters, a
- 2960 licensee of the California Board of Accountancy, a notary public, or
- 2961 any other independent third-party authorized to serve as
- 2962 Inspector(s) under these Election Rules.
- 2963 **12.4.4.** The Board, in its discretion, may remove and replace the
- 2964 Inspector(s) at any time prior to the date of any election.

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- 12.4.5.** The Board may pay reasonable compensation to a non-Shareholder third-party Inspector. If the Board determines that it will appoint and pay non-Shareholder third-party Inspector, the following terms must be fulfilled:
- 12.4.5.1.** A formal written contract for the Inspector, stating that the Inspector is an independent contractor.
- 12.4.5.2.** The Inspector will maintain insurance with at least \$1 million CGL coverage, including completed operations coverage, and \$1 million D&O/E&O (naming the Mutual and GRF as additional insureds on both policies); and
- 12.4.5.3.** The contract shall require the Inspector to indemnify the Mutual for gross negligence and willful and/or malicious misconduct.
- 12.4.6.** If an Inspector is unwilling, unable, or does not perform his/her duties as stated in these rules or becomes ineligible to be an Inspector at any time after appointment, the Board may remove that Inspector without notice, and may appoint another Inspector in his or her place.
- 12.4.7.** The Inspector shall perform his/her duties impartially, in good faith, to the best of his or her ability, and as expeditiously as is practical.
- 12.4.8.** The Inspector shall have the duty to:
- 12.4.8.1.** Determine the number of Shareholders entitled to vote and the voting power of each.
- 12.4.8.2.** Determine the authenticity, validity, and effect of proxies, if required by statute.
- 12.4.8.3.** Receive ballots.
- 12.4.8.4.** Verify the Shareholder's information and the presence of a signature on the outer envelope. For mailed ballots, the Inspector(s) may verify the Shareholder's information and presence of a signature on the outer envelope prior to the election.
- 12.4.8.5.** Determine the existence of a quorum, if required by statute or the governing documents. For the purposes of determining a quorum, each ballot received by the Inspector(s) shall be treated as a Shareholder present, except in the case of duplicate ballots or multiple ballots from the same stock.
- 12.4.8.6.** Hear and determine all challenges and questions in any way arising out of or in connection with the right to vote.
- 12.4.8.7.** Count and tabulate all votes.
- 12.4.8.8.** Determine when the polls shall close, consistent with the governing documents.

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- 3007 **12.4.8.9.** Determine the tabulated results of the election.
- 3008 **12.4.8.10.** Report the tabulated results of the election or balloting
- 3009 promptly to the Board of Directors to ensure that the
- 3010 Board can publicize the results to the Shareholders
- 3011 within fifteen (15) days of the election; and
- 3012 **12.4.8.11.** Perform any acts as may be proper to conduct the
- 3013 election with fairness to all Shareholders in accordance
- 3014 with Civil Code section 5110, the Corporations Code,
- 3015 and all applicable rules of the Mutual.
- 3016 **12.4.9.** The Inspector may meet and discuss election issues amongst
- 3017 themselves and/or with Mutual counsel.
- 3018 **12.4.10.** If there are three (3) Inspectors, the decision or act of two (2) or
- 3019 more Inspectors shall be effective in all respects as the decision or
- 3020 act of all.
- 3021 **12.4.11.** The Inspector may appoint and oversee additional persons to
- 3022 verify Shareholders' information and signatures and to count and
- 3023 tabulate votes as the Inspector deems appropriate.
- 3024 **12.4.12.** The Inspector's report of the election, once signed to certify the
- 3025 election, is prima facie evidence of the facts stated in the report.
- 3026
- 3027 **12.5. Section 12.5 – Access to Association Media.**
- 3028 **12.5.1.** No candidate or Shareholder shall be provided access to Mutual
- 3029 media, newsletters, or internet web sites during the campaign
- 3030 except with the express consent of the Board, and solely for
- 3031 purposes that are reasonably related to that election. The Board's
- 3032 consent may be withheld at its sole discretion and for any reason.
- 3033 **12.5.2.** In the event access to Mutual media, newsletter or internet web
- 3034 sites is granted to any candidate or Shareholder advocating a point
- 3035 of view, during any campaign for purposes that are reasonably
- 3036 related to that election, then all candidates and Shareholders
- 3037 advocating a point of view, including those not endorsed by the
- 3038 Board, shall be provided equal access for purposes reasonably
- 3039 related to that election.
- 3040 **12.5.3.** In the event access to Mutual media, newsletter or internet
- 3041 websites is granted, the Mutual shall not censor, edit or redact any
- 3042 content from the communications of the candidates and
- 3043 Shareholders advocating a point of view, but may include a
- 3044 statement specifying that the candidate or Shareholder, and not
- 3045 the Association, is responsible for the content of the message.
- 3046 The following statement may be published by the Mutual: "The
- 3047 views expressed are those of its author and do not reflect the view
- 3048 of the Mutual, its directors, managers, employees or agents. The

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author is solely responsible for its content. The Mutual was required by law to publish the communication as written, regardless of content.”

12.6. Section 12.6 – Access to Common Area Meeting Space.

If any Common Area meeting space exists within the Mutual, access to such meeting space shall be made available at no cost to all candidates, including those who are not incumbents, and to all Shareholders advocating a point of view, including those not endorsed by the Board, for purposes reasonably related to the election or vote, upon reasonable request.

12.7. Section 12.7 – Mutual Funds.

Mutual funds shall not be used for campaign purposes in connection with any election except to the extent necessary to comply with the duties of the Mutual imposed by law.

12.8. Section 12.8 – Proxies.

The Mutual is not required to prepare and distribute proxies. All proxies shall be in writing, dated and filed with the Secretary before the appointed time of each meeting. Each proxy shall be revocable and shall automatically cease upon conveyance by the Shareholder of his or her stock, or upon receipt of notice by the Secretary or the Board of the death or judicially declared incompetence of a Shareholder, or upon the expiration of three (3) years from the date of the proxy. The authenticity, validity and effect of proxies submitted by Shareholders shall be determined by the Inspector(s), consistent with the Mutual's Governing Documents and any statutory requirements. If a Shareholder submits both a proxy and a ballot to the Inspector(s), the ballot will supersede the proxy. Proxies may not be used in lieu of a ballot. Proxies may not be revoked once a proxyholder has submitted a ballot to the Inspector(s). Only a Shareholder may serve as a proxyholder.

12.9. Section 12.9 – Voting Period.

12.9.1. The Board shall generally determine the dates upon which polls will open and close, consistent with the governing documents and applicable law.

12.9.2. The Mutual shall provide general notice of all the following at least thirty (30) days before the ballots are distributed:

12.9.2.1. The date and time by which, and the physical address where, the ballots are to be returned by mail or handed to the Inspector or Inspectors of Elections.

12.9.2.2. The date, time, and location of the meeting at which

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- 3091 ballots will be counted.
- 3092 **12.9.2.3.** The list of all candidates' names that will appear on the
- 3093 ballot.
- 3094 **12.9.2.4.** Individual notice of the above shall be delivered
- 3095 pursuant to Civil Code §4040 if individual notice is
- 3096 requested by a Shareholder.
- 3097 **12.9.3.** All candidates shall have a reasonable opportunity to communicate
- 3098 their qualifications to Shareholders and to solicit votes.
- 3099
- 3100 **12.10. Section 12.10 – Secret Balloting Procedures.**
- 3101 **12.10.1.** The Mutual shall utilize a secret ballot process pursuant to Civil
- 3102 Code section 5115 for the following matters:
- 3103 **12.10.1.1.** A vote of the Shareholders regarding assessments per
- 3104 Civil Code section 5605; (ii) Election of members of the
- 3105 Board; (iii) Amendments to the governing documents;
- 3106 (iv) Grant of Exclusive Use Common Area pursuant to
- 3107 Civil Code section 4600; (v) Removal of Directors; and
- 3108 (vi) Any other Shareholder vote which the law requires to
- 3109 be conducted via the secret ballot process.
- 3110 **12.10.1.2.** Notwithstanding Paragraph 10(a) herein, the Mutual may
- 3111 utilize a secret ballot process for any other Shareholder
- 3112 vote, if allowed by law or the governing documents.
- 3113 **12.10.1.3.** A ballot and two pre-addressed envelopes (Envelopes #
- 3114 1 and # 2) with instructions on how to return the ballot
- 3115 shall be mailed by first-class mail or delivered by the
- 3116 Mutual to every Shareholder at least thirty (30) days
- 3117 prior to the deadline for voting.
- 3118 **12.10.1.4.** The ballot shall contain the names of any candidates
- 3119 known to the Mutual at the time the ballot is mailed. If
- 3120 no candidates are known or if there are fewer
- 3121 candidates than the number of Directors to be elected,
- 3122 the Mutual will send out a ballot which has the names of
- 3123 the known candidates.
- 3124 **12.10.1.5.** Cumulative voting is permitted in all elections.
- 3125 **12.10.1.6.** Write-in candidates and nominations from the floor shall
- 3126 not be permitted.
- 3127 **12.10.1.7.** A voter may not be identified by name, unit number, or
- 3128 address on the ballot.
- 3129 **12.10.1.8.** The ballot itself is not signed by the Shareholder voting,
- 3130 but rather, is to be inserted into Envelope # 1 that is
- 3131 sealed by the Shareholder. Envelope # 1 is then
- 3132 inserted into Envelope # 2, which is then sealed by the

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- 3133 Shareholder.
- 3134 **12.10.1.9.** Envelope # 2 is addressed to the Inspector(s). In the
- 3135 upper left-hand corner of Envelope # 2, the voter shall
- 3136 sign his or her name, print his or her name, and indicate
- 3137 the address or separate interest identifier that entitles
- 3138 him or her to vote.
- 3139 **12.10.1.10.** Envelope # 2 may be mailed or delivered by hand to
- 3140 a location specified by the Inspector(s). The Shareholder
- 3141 may request a receipt for delivery.
- 3142 **12.10.1.11.** Once a ballot has been cast, it cannot be revoked.
- 3143 **12.10.1.12.** Only the Mutual's ballots and envelopes which are
- 3144 sent out to the Shareholders by the Mutual or are
- 3145 provided by the Mutual at the membership meeting will
- 3146 be accepted by the Inspector(s).
- 3147
- 3148 **12.11. Section 12.11 – Vote Tabulation.**
- 3149 **12.11.1.** All votes shall be counted and tabulated by the Inspector(s), or the
- 3150 duly authorized persons appointed by the Inspector(s), in public at
- 3151 a properly noticed Shareholder's meeting.
- 3152 **12.11.2.** The ballots shall not be opened or otherwise reviewed prior to the
- 3153 time and place which the ballots are counted and tabulated.
- 3154 **12.11.3.** Any candidate or Shareholder may witness the counting and
- 3155 tabulation of the votes. Shareholders are prohibited from speaking
- 3156 to the Inspector(s) of Elections or their designee(s) during the
- 3157 tabulation process or from interrupting the tabulation process in
- 3158 any way.
- 3159 **12.11.4.** The Inspector(s), or his or her designee, may verify the
- 3160 Shareholder's information and signature on Envelope #2 prior to
- 3161 the meeting at which ballots are tabulated.
- 3162
- 3163 **12.12. Section 12.12 – Election Results.**
- 3164 **12.12.1.** The Inspector(s) shall promptly report the results of the election to
- 3165 the Board. The Board shall record the results of the election in the
- 3166 minutes of the next Board meeting and make them available to the
- 3167 Shareholders for review.
- 3168 **12.12.2.** Within fifteen (15) days of the election, the Board shall publicize
- 3169 the results of the election in a communication directed to all
- 3170 Shareholders.
- 3171
- 3172 **12.13. Section 12.13 – Custody, Storage and Retention of Ballots.**
- 3173 **12.13.1.** The sealed ballots, signed voter envelopes, voter list, proxies, and
- 3174 candidate registration list (collectively referred to as "election

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materials”) shall, at all times be in the custody of the Inspector(s), or at a location designated by the Inspector(s), until after the tabulation of the vote, and until the time allowed by Civil Code §5145 for challenging the election has expired, at which time the ballots shall be transferred to the Mutual.

12.13.2. If there is a recount or other challenge to the election process, the Inspector(s) shall, upon written request, make the ballots available for inspection and review by a Shareholder or his or her authorized representative. Any recount shall be conducted in a manner that preserves the confidentiality of the vote.

12.13.3. After the transfer of the ballots to the Mutual, the election materials shall be stored by the Mutual in a secure place for no less than three (3) years following the date of the election.

12.13.4. The Inspector shall retain, as Mutual election materials, both a candidate registration list and a voter list. The voter list shall include the name, voting power, and either the physical address of the voter’s Unit, the parcel number, or both. The mailing address for the ballot shall be listed on the voter list if it differs from the physical address of the voter’s Unit or if only the parcel number is used.

13. ARTICLE XIII – ESTATE/PATIO SALES**13.1. Section 13.1 – Shareholder Estate/Porch Sales.**

A Shareholder who wishes to conduct an estate or porch sale must comply with the following and submit the following documents to the Board for approval: (i) Complete four (4) copies of the “Request for Permission to Conduct Estate Sale” and three copies of “Estate Sale Inventory” (collectively, the “Forms”); (ii) give one (1) copy of each of the Forms to the Mutual President; (iii) give one (1) copy of “Request for Permission to Conduct Estate Sale” to the Golden Rain News, if advertising the sale in the News; (iv) give one (1) copy of “Request for Permission to Conduct Estate Sale” to the Security Department; (v) post a copy of “Estate Sale Inventory” at the place of sale; (vi) provide one (1) copy of a sales contract or agreement, relating to the sale of the Shareholder’s Unit, to Mutual Representative; (vii) proof of Seal Beach Business License for person conducting sale of the Shareholder’s Unit (business license not required if person conducting sale is an immediate family member). Person conducting sale must be present at sale site at all times during the estate sale; (viii) outside merchandise is not permitted; (ix) provide either of the following: (1) proof that a “Notice of Intention to Withdraw” form has been completed and submitted to the Stock Transfer Office and (2) For a deceased Qualifying

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Resident, a copy of a death certificate for a deceased Qualifying Resident or for a living resident, a document that certifies that living Qualifying Resident is in an assisted living facility and does not plan on returning to the unit.

14. ARTICLE XIV – VISITORS**14.1. Section 14.1 – Visitors.**

Pursuant to California Civil Code Section 51.3, a Qualifying Resident is permitted to have a visitor or visitors in their unit cumulatively for a maximum of up to sixty (60) days per twelve-month period.

14.2. Section 14.2 – Visitors Permitted.

Visitors are only permitted to visit while the Qualifying Resident is residing and present in the Unit. The Qualifying Resident may not vacate or be absent from the Unit and import others to be in the residence as a guest in the absence of the Qualifying Resident. If the visitor is sleeping in the Unit, both the visitor and Qualifying Resident must be present in the Unit.

However, a visitor may stay overnight in a Unit when the Qualifying Resident is not present if an emergency exists, the number of days needed are short in duration and a waiver is obtained and approved by the Mutual Board.

14.3. Section 14.3 – Immediate/Collateral Family of Qualified Permanent Residents.

Pursuant to California Civil Code Section 51.3, the Mutual is a senior citizen housing development and from time to time, a Qualified Permanent Resident (“QPR”), as defined in said section, may become a resident in one of the Units. However, there is no provision in Civil Code Section 51.3 requiring that the Mutual permit immediate or collateral family of a QPR to also reside with the QPR. No member of any immediate or collateral family in any relationship with a QPR shall live with the QPR while such QPR resides with a Qualifying Resident as permitted under California Civil Code Section 51.3.

15. ARTICLE XV – MISCELLANEOUS**15.1. Section 15.1 – Commercial Signs.**

Commercial signs are prohibited in the Mutual, except a Shareholder is permitted to display one (1) “for sale” sign, advertising their Unit for sale, inside a window, as long as the sign has a white background, black or blue lettering, and does not exceed fifteen inches (15”) by eighteen inches (18”) in size.

SEAL BEACH MUTUAL NO. FOURTEEN**Rules and Regulations****15.2. Section 15.2 – Noncommercial Signs.**

Noncommercial signs, posters, flags, or banners may be displayed on a Shareholder's Unit, except as required for the protection of public health or safety, or if the posting would violate a local, state, or federal law.

A noncommercial sign, poster, flag, or banner may be made of paper, cardboard, cloth, plastic, or fabric, but may not be made of lights, roofing, siding, paving materials, flora, or balloons, or any other building, landscaping, or decorative component, including the painting of architectural surfaces.

Noncommercial signs or posters may not be larger than nine (9) square feet in size and noncommercial flags or banners may not be larger than fifteen (15) square feet in size.

15.3. Section 15.3 – Trash.

Trash and garbage, whether contained or not, may not be left outside of the Unit at any time.

15.4. Section 15.4 – Unit Pre-Sale Cleanup.

All Shareholders must comply with the terms of this Section 13.4 upon the sale of the Shareholder's Unit, whether due to the election of sale and/or the Qualifying Resident's demise.

15.4.1. If the Unit is to be sold, a "Notice of Intention to Withdraw" must be filed with the Stock Transfer Office in the Administration Building.

15.4.2. All trash must be removed from the Unit and patio area and disposed of in the trash bins located at the carports. All trash must be completely contained within these trash bins. Discarded items may not be left outside the trash bins. For large items that cannot be contained within these trash bins, a large dumpster is located in the garden area at the northwest corner of Leisure World on Nassau Street (behind Mutual Nine).

15.4.3. Televisions, electronics, paint and other combustibles or chemicals may not be placed in any trash dumpster within Leisure World. Items of this type and liquids containing hazardous materials must be disposed of at a hazardous waste facility. Contact: Huntington Beach Hazardous Waste Collection Center at (714) 847-3581 for information (on Nichols Street, west of Beach Boulevard and south of Warner Avenue), or the Orange County Integrated Waste Management Department at (714) 834-6752.

15.4.4. Refrigerator must be emptied and washed inside and out, be turned off, and the doors propped open to vent and dry the interior. If the refrigerator doors are not propped open, the refrigerator must be left on.

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- 3301 **15.4.5.** All food products must be removed from the cupboards and
 3302 disposed of properly.
- 3303 **15.4.6.** Cook top must be cleaned, and grease or drippings removed.
 3304 Replacement filters may be obtained through the GRF Purchasing
 3305 Department located at the West end of Golden Rain Road.
- 3306 **15.4.7.** Oven must be cleaned, and the grates and broiler pan/cover
 3307 thoroughly washed.
- 3308 **15.4.8.** Kitchen and bathroom countertops, sinks, tub, shower enclosures
 3309 and toilets must be thoroughly cleaned.
- 3310 **15.4.9.** Interior surfaces in Unit are to be cleaned, and the carpet
 3311 vacuumed.
- 3312 **15.4.10.** Only porch furniture may be left on the porch during this interim
 3313 period.
- 3314 **15.4.11.** Electricity must be left on during the sale period to allow the
 3315 electric smoke detector system to remain operational.
- 3316 **15.4.12.** Carport storage locker must be cleaned out and left unlocked.

15.5. Section 15.5 – Lockout Procedures.

3318
 3319 In the event of the death of a Qualifying Resident or Shareholder, the Mutual
 3320 must comply with the following procedures:

15.5.1. Death of Qualifying Resident with Surviving Shareholder/Qualifying Resident Living in the Unit.

3321
 3322 If there is a surviving Shareholder/Qualifying Resident occupying
 3323 the Unit at the time of death of the Qualifying Resident, irrespective
 3324 of whether the death occurred within the Unit, in Leisure World, or
 3325 elsewhere, Security will deliver the GRF Bereavement Workbook
 3326 (“Bereavement Book”) to the Unit.

15.5.2. Death of Sole Shareholder.**15.5.2.1. Unattended Death.**

3329
 3330 If the death of the sole Qualifying Resident/Shareholder
 3331 is unattended – i.e., no other individuals are present at
 3332 the time of death and the Unit is sealed per law
 3333 enforcement or the coroner order’s, then no one,
 3334 including without limitation, next of kin, trustees,
 3335 Shareholders, visitors, guests, or registered caregivers,
 3336 may access the Unit until otherwise directed by law
 3337 enforcement or the Coroner. In the event that any
 3338 individual desires to access the Unit, the Mutual
 3339 reserves the right to prevent such entry pending further
 3340 authorization from law enforcement or the coroner.
 3341 Security will place the Bereavement Book at the front of
 3342 the Unit and reserve the right to place a knob lock on the

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door. If the door is unable to accommodate a knob lock, a plywood sheet may be affixed over the door.

15.5.2.2. Attended Death.

If the death of the Qualifying Resident/Shareholder is attended, Security will complete a DOA Report, to identify all individuals present at the time of death. Security will deliver the Bereavement Book to the Unit. Security will instruct all individuals present, who identify themselves as having legal authority over the Unit, to visit the Stock Transfer Office, as soon as reasonably possible, to present evidence of the same. Security may also verify such legal authority. Notwithstanding the foregoing, Security will inform all persons present that no one may stay in the Unit overnight without Mutual permission, unless they are a Qualifying Resident, Qualified Permanent Resident, or registered Co-Occupant. Visitors and guests may request, from the Mutual Board, an emergency waiver to remain in the Unit for a limited period of time. If Security is unable to verify the party with legal authority over the Unit, all person's present will be asked to leave the Unit until legal authority is established at the Stock Transfer Office. From there, and until otherwise decided by the Stock Transfer Office, Security reserves the right to place a knob lock on, or affix a plywood sheet to, the door of the Unit.

15.5.3. Reporting of Death to Mutual Board.

The Stock Transfer Office will report Qualifying Resident/Shareholder deaths to the Mutual Board within two (2) business days, and will include the following information, without limitation: (1) name of decedent; (2) date and location of death; (3) identification of persons present at Unit (if any); (4) name, relationship and contact information of surviving Qualifying Resident/Shareholder (if any); (5) name, relationship and contact information of decedent's emergency contacts (if any); (6) if legal authority has been established; (7) if/how the Unit was secured; and (8) if there are any registered Co-Occupants, caregivers or pets in the Unit.

16. ARTICLE XVI – PENALTIES, FINES & FEES**16.1. Section 16.1 – General Violations.**

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In order to enforce the Governing Documents and Rules and Regulations, the Mutual Board may levy, assess, and collect reasonable fines as established by the Board of Directors pursuant to these Rules and the Fine Schedule attached hereto as Exhibit "D" and incorporated herein. The fines will be assessed against the Shareholder for violations by the Shareholder, members of the Shareholder's family, or the Shareholder's guests, invitees, licensee, tenants, or lessees, pursuant to the following policy:

16.1.1. Violations.

If there is a violation of the Governing Documents, including the Occupancy Agreement or these Rules, any Shareholder may contact the Mutual Board or GRF, in order to report the alleged violation to the Mutual Board. Violation reports should be in writing and should describe the violation, identify the alleged violator, and identify the individual making the report. Upon receipt of a violation report, the Mutual Board will commence the enforcement process and determine whether a violation has occurred. The Mutual Board has complete discretion to decide whether or not to take action on a written violation complaint and what action, if any, will be taken. The Mutual Board may investigate any reported violation in order to determine whether the alleged violation has potential merit and, if so, whether the violation warrants action by the Board. Violations may also be noted by members of the Mutual Board, GRF, and/or staff during regular walkthroughs of the Mutual.

16.1.2. Enforcement Procedures.

The Mutual reserves the right to take legal action in order to enforce compliance with the Governing Documents at any stage in the enforcement process. Serious violations warranting immediate action may be forwarded to legal counsel with or without taking the steps outlined below. Violations which the Mutual Board decides to address internally will be dealt with as follows:

16.1.2.1. Upon determination that an alleged violation has potential merit, a courtesy notice (warning letter) may, in the discretion of the Mutual Board, be sent to the allegedly offending Qualifying Resident/Shareholder ("Respondent") identifying the violation and requesting compliance within a stated period of time. A courtesy notice is not required prior to calling Respondent to hearing.

16.1.2.2. The Mutual shall send a notice of hearing to the Respondent stating the nature of the alleged violation, referencing the specific provision of the Governing

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- 3427 Documents which the Respondent is alleged to have
 3428 violated, and inviting the Respondent to appear at a
 3429 hearing before the Mutual Board to be held no sooner
 3430 than fifteen (15) days from the date of the notice. The
 3431 notice shall further advise the Respondent of his or her
 3432 right to attend the hearing, submit a statement of
 3433 defense to the Mutual Board in advance of the hearing
 3434 or present a statement of defense and supporting
 3435 witnesses at the hearing. If the Respondent does not
 3436 attend the hearing, the Respondent waives these rights.
- 3437 **16.1.2.3.** The Mutual Board shall conduct the hearing in executive
 3438 session (unless requested otherwise by the
 3439 Respondent) and shall afford the Respondent a
 3440 reasonable opportunity to be heard.
- 3441 **16.1.2.4.** If the Shareholder is found to be in violation of the
 3442 Governing Documents following the hearing, the Mutual
 3443 Board may do any of the following, as noted in the
 3444 hearing notice:
- 3445 a. Impose a monetary fine against the Shareholder
 3446 pursuant to the Fine Schedule.
 - 3447 b. Levy a special reimbursement assessment
 3448 against the Shareholder pursuant to the
 3449 Governing Documents.
 - 3450 c. Declare the Shareholder to be not in good
 3451 standing as set forth in these Rules.
 - 3452 d. Suspend the Qualifying Resident/Shareholder's
 3453 voting rights and/or rights to use the recreational
 3454 facilities if and as provided in the Mutual
 3455 Governing Documents.
 - 3456 e. Any combination of the above.
- 3457 **16.1.2.5.** Any disciplinary action taken should be recorded in the
 3458 minutes of the meeting at which the disciplinary action
 3459 was taken by the Mutual Board. No action against the
 3460 Respondent arising from the alleged violation may take
 3461 effect before five (5) days after the hearing.
- 3462 **16.1.2.6.** The Mutual Board shall provide the Shareholder with
 3463 written notice of the outcome of the hearing and any
 3464 disciplinary action taken by the Mutual Board within ten
 3465 (10) days after the hearing. In the case of a continuing
 3466 violation, the notice of hearing decision may include a
 3467 notice of a continuing fine, if authorized by the Fine
 3468 Schedule, or notice of a subsequent hearing on the

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same violation to be held no sooner than thirty (30) days from the original hearing date, unless the violation is sooner remedied.

16.1.2.7. Fines imposed by the Mutual Board after a hearing shall be due immediately upon notice of the hearing decision to the Owner. Special Assessments levied by the Mutual Board shall be due thirty (30) days from the date of the notice of hearing decision, or upon such other later date specified therein not to exceed sixty (60) days from the date of the notice.

16.1.3. Fine Schedule.

The schedule of monetary penalties which the Mutual Board may impose for general violations in accordance with the above procedures is attached to these Rules as Exhibit "D". The Mutual Board reserves the right to revise the Fine Schedule at any time through a rule change procedure and the most recent Fine Schedule shall be distributed to the Shareholders on an annual basis. Fines for parking violations are not included in Exhibit "D" but, rather, are set forth below in Section 14.2.7 of these Rules.

16.2. Section 16.2 – Parking Violations.

Any Shareholder or Qualifying Resident charged with the violation (Violator) can pay the fine or the Violator has the right to contest the "rules violation" in writing to the Parking Rules Violations (PRV) panel within ten (10) business days of the date of the violation. If Shareholder provides written notice that he/she is contesting the violation, a hearing will be scheduled by the PRV of the Mutual. Violator may submit a response in writing within ten (10) business days of the violation to the PRV, if they are unable to attend the hearing. Shareholders will be notified in writing of the results of the hearing within fifteen (15) business days. Except that contractors will be adjudicated by the Facilities Director, Health Care Center (HCC) employees will be adjudicated by HCC management and GRF employees will be adjudicated by GRF Human Resources Department.

16.2.1. The written Rules Violation Notice ("Citation") serves as written notice of the violation and hearing (Civ. Code Section 5855). The following items will be set forth in the written Citation: (1) Description of violation, including time of violation and location and possible penalties (including possible monetary penalties); and (2) Hearing date, time, and location of Hearing.

16.2.2. The Notice Handout supplements the Citation and must contain the following: (1) The date, time, and place of the hearing; (2) The nature of the alleged violation (including the date/time and

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- 3511 location) for which a Shareholder may be disciplined; (3) A
 3512 statement that the Shareholder has a right to attend the hearing
 3513 and present evidence.(Civ. Code Section 5855(b); (4) Notification
 3514 that a failure to respond will acknowledge acceptance of the
 3515 violation and the corresponding fine may be imposed; and (5) A
 3516 section to indicate the need for an interpreter and the language
 3517 requested. The PRV must be notified at least ten (10) business
 3518 days prior to the hearing if the Shareholder will bring an interpreter.
- 3519 **16.2.3.** A Shareholder may request one extension of the panel hearing
 3520 under these following circumstances: (1) An extension of Hearing
 3521 date at least 48 (forty-eight) hours prior to the scheduled PRV
 3522 hearing with no explanation; (2) An extension for medical, health or
 3523 family issues; (3) The written notification to the PRV panel that the
 3524 Violator is bringing a lawyer. This will require a minimum 30-day
 3525 extension to ensure Mutual attorney will be present; or (4) A
 3526 second extension may be granted by the PRV.
- 3527 **16.2.4.** The Shareholder has the right to examine and refute evidence.
 3528 The photos may be viewed in the Security Office by appointment.
 3529 The Security Department will have a representative present to
 3530 explain all relevant information and evidence. This may include
 3531 questions during the hearing. Shareholders also have the right to
 3532 submit their defense in writing rather than make an appearance
 3533 before the PRV. The Shareholder may bring an Observer or
 3534 interpreter. The PRV panel hearing is a closed meeting. Hearings
 3535 will be held in executive session. The Shareholder may request an
 3536 open hearing. If the Shareholder does not appear at the scheduled
 3537 hearing without prior notification to the PRV panel, this will be
 3538 accepted as agreement by the Shareholder of the validity of the
 3539 violation and the appropriate fine may be assessed.
- 3540 **16.2.5.** The PRV panel shall make "findings" to support the panel's
 3541 decision regarding the alleged violation. Findings may allow for
 3542 vacating the citation. Notice of the panel's decision must be given
 3543 by first-class mail within 15 business days following the PRV's
 3544 decision. The letter of decision shall include the PRV panel's
 3545 findings.
- 3546 **16.2.6.** The PRV panel will meet on the 4th Monday of each month at 9:00
 3547 a.m. in Administration Conference Room A. A second meeting will
 3548 be scheduled if the volume of hearing requests is too large; in
 3549 which case the panel will also meet on the 4th Wednesday at 1:00
 3550 p.m. in Conference Room B.
- 3551 **16.2.7.** All violations of the Parking Rules as set forth in Article IV of these
 3552 Rules and Regulations, may be assessed a monetary penalty in

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the following amounts:

16.2.7.1. First Offense. The first offense may result in either a Fix-It citation, a Warning, a Fine or the vehicle being towed. See table below. A Fix-It citation provides the Qualifying Resident with thirty (30) days to correct the issue set forth in the Fix-It citation. The fine may be waived by the PRV panel.

16.2.7.2. Additional citations may be issued after each 24-hour period.

16.2.7.3. After the fourth RV or VUFR violation all RV or VUFR parking privileges are suspended for twelve (12) months beginning with the date of the fourth infraction.

Violation	1 st Offense	2 nd and each subsequent and/or continuation of offense
Assigned Parking Space or restricted parking Space.	\$25.00	\$25.00
Blocking Crosswalk	\$25.00	\$25.00
Expired or Invalid State Vehicle Registration (Fine will be waived on first offense if sticker and/or paperwork that was current at time of Citation is presented. The Security Services Director has the right to waive the first offence fine if needed paperwork is presented to them.)	\$50.00	\$50.00
Flat Tires	Fix-It	\$25.00
Handicap Parking without Placard or Handicap ID Displayed	\$100.00 (Fine will be waived on first offense if placard and/or paperwork that was current at time of Citation is presented. The Security Services Director has the right to waive the first offence fine if needed paperwork is presented to them.)	\$200.00
Hazardous Materials Leaking	\$50.00	\$50.00
Limited Time Parking	\$20.00	\$20.00
Maintenance or Repair	\$25.00	\$25.00
No Valid GRF Vehicle Decal or Parking Permit Displayed	\$20.00	\$20.00

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Parked on Sidewalk or Grass	\$25.00	\$25.00
Parked in RED Zone (Bus Stop)	\$25.00	\$25.00
Parked in RED Zone (Fire Hydrant)	\$100.00	\$200.00
Parked in RED Zone (Mailbox)	\$25.00	\$25.00
RV or VUFR – Generator Running 8pm-8am	\$50.00	\$50.00
RV or VUFR – Jack Support: None or Inadequate	\$50.00	\$50.00
RV or VUFR – Parked over seventy- two (72) hours on Trust Street	\$40.00	\$40.00
Washing any vehicle on Trust Property (except in designated Car Wash areas)	\$20.00	\$20.00
Washing a Non-Qualifying Resident Vehicle at Car Wash	\$20.00	\$20.00

16.3. Section 16.3 – Reporting Violations.

Any Qualifying Resident or Shareholder, including any director serving on the Mutual Board, may report violations by contacting Security or the Mutual Board. Such reports shall constitute a complaint and will be documented in writing to include the time, date, nature of violation, circumstances, and location and address of person or persons responsible. The complaint will be provided to the Mutual Board for review and, if necessary, enforcement action.

16.4. Section 16.4 – Enforcement Procedures.

In addition to the procedures and remedies set forth herein, the Mutual may take an action in law or in equity to recover damages, obtain injunctive relief, or obtain any other appropriate legal or equitable relief that may be available to the Mutual.

16.5. Section 16.5 – Shareholder Rules of Conduct.**16.5.1. Purpose.**

The Purpose of the Shareholder Rules of Conduct is to protect Golden Rain Foundation (GRF) and Mutual 14, including GRF staff, GRF contracted service providers, GRF members and Mutual 14 contracted service providers. Mutual 14 has a duty and a fiduciary responsibility to enforce its governing documents and protect GRF Trust Property, Mutual 14 Property, and assets.

The Rules of Conduct apply to Mutual 14 shareholders, qualified permanent residents, co-occupants, renters, caregivers, and their

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- visitors.
- 16.5.2. Rules of Conduct.**
- 16.5.2.1.** Mutual 14 shareholders are responsible for the actions of those associated with their property, including the following: Qualified Permanent Resident, Co-occupants, Renters, Caregivers, and their visitors.
- 16.5.2.2.** Interactions with others must be respectful and non-abusive, both verbally and physically.
- a. Behaviors such as the following are prohibited:
- Verbal or physical violence implied or actual (threats).
 - Personal insults and yelling.
 - Any form of discrimination.
 - Unwanted or offensive touching, filming, photography, and recording.
 - Unwanted sexually aggressive language.
 - Directing objects or substances at another person with intent to harm or intimidate.
 - Disruptive behavior, personal attacks or harassment during Mutual 14 meetings.
 - Creating a hostile work environment for GRF staff and Mutual 14 contracted service providers.
 - Bodily odor or uncleanliness that would be considered offensive and a health and safety hazard to others.
 - Willful damage to Mutual 14 property.
 - Non-compliance with Mutual 14 Governing Documents.
- 16.5.3. Non-Compliance.**
- 16.5.3.1.** Will result in a penalty (see Exhibit D, Fine Schedule, M14 Rules & Regulations).
- 16.5.3.2.** To protect M14, repeat offenders may be subject to legal action.
- 16.5.3.3.** For offenses that are governed by City, State or Federal Laws, the appropriate authorities will be contacted.
- 16.5.4. Notification of Violation and Right to Hearing.**
- 16.5.4.1.** See Procedure 18.18 of Rules and Regulations, Notification of Violation and Right to Hearing Procedures.

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SEAL BEACH MUTUAL NO. FOURTEEN**Rules and Regulations****17. ARTICLE XVII – COLLECTION POLICY****17.1. Section 17.1 – Regular and Special Assessments.**

Regular assessments are due and payable, in advance, on the first day of each month. If imposed, special assessments and reimbursement assessments shall be due and payable on the due date specified by the Mutual Board. Regular, special and reimbursement assessments (hereinafter collectively referred to as "Assessments"), interest, late charges, collection costs and reasonable attorney's fees, if any are imposed, are the personal obligation of the person who is the owner of the shares of stock associated with the Unit at the time when the assessment or other charge fell due.

17.2. Section 17.2 – Late Charges.

Assessments are delinquent fifteen (15) days after they become due. A late charge not exceeding ten percent (10%) or ten dollars (\$10.00), whichever is greater, may be applied if payment in full of any Assessment is not received thirty (30) days after the payment is due. A late charge will not be imposed more than once per delinquent installment.

17.3. Section 17.3 – Interest.

An interest charge at a rate not to exceed twelve percent (12%) per annum will be assessed against any outstanding balance, including delinquent Assessments, late charges, and cost of collection, which may include attorney's fees. Such interest charges shall accrue thirty (30) days after the Assessment becomes due and shall continue to be assessed each month until the account is brought current.

17.4. Section 17.4 – Additional Charges, Costs and Attorney's Fees.

Pursuant to Civil Code Section 5650(b), the Mutual is entitled to recover reasonable collection costs. Such collection costs include, without limitation: All late charges, interest, attorney's fees, management costs, mailing costs, recording costs, publication costs and service costs. Such collection costs will become the liability of the delinquent Shareholder. It is the policy of the Mutual not to routinely waive any duly imposed collection costs. Please also note that returned checks may be subject to a service fee.

17.5. Section 17.5 – Application of Payments on Delinquent Assessments.

Payments received on delinquent Assessment accounts will be applied first to the Assessments owed, and then applied to collection costs, administration fees, attorney's fees, late charges, interest, and any other

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amount due to the Mutual in connection with collection of delinquent Assessments.

17.6. Section 17.6 – Special Assessment.

If a special Assessment is payable in installments and an installment payment of that special Assessment is delinquent for more than thirty (30) days, all installments will be accelerated, and the entire unpaid balance of the special Assessment shall become immediately due and payable. The remaining balance shall be subject to late charges, interest, costs of collection, and lien rights as provided herein.

17.7. Section 17.7 – Unlawful Detainer.

If the delinquent Shareholder does not bring the account current within thirty (30) days of notice of the delinquency, the Mutual can seek unlawful detainer and eviction pursuant to the terms of the Shareholder's Occupancy Agreement.

17.8. Section 17.8 – Partial Payments.

Any Assessment payments received from a delinquent Shareholder will be applied to that Shareholder's account. However, absent receipt of payment in full of all amounts due, the Mutual will proceed with any unlawful detainer action initiated against the Shareholder's separate interest, or the delinquent Shareholder personally, pursuant to and consistent with the requirements of California statutory and case law unless the payments are remitted pursuant to a written payment plan approved by the Mutual Board.

17.9. Section 17.9 – Lawsuit.

The Mutual may, at any time, determine to file a personal lawsuit against the delinquent Shareholder to recover all delinquent charges pursuant to relevant law. All costs and attorneys fee in connection with the lawsuit, in addition to the delinquent charges and other collection costs, will be sought from the delinquent Shareholder.

17.10. Section 17.10 – Attorney's Fees.

If a lawsuit or unlawful detainer action is initiated by the Mutual to recover Assessments, the Mutual is entitled to recover not only the amount in default, but also reasonable costs of collection, including title company charges and attorney's fees as provided for by statute, as well as the Mutual's Bylaws, the Shareholder's Occupancy Agreement, and/or other Governing Documents.

17.11. Section 17.11 – Suspend Privileges and Voting Rights.

The Board may, having provided the Shareholder with a Notice of Hearing

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pursuant to Civil Code Section 5855, suspend the common area privileges and voting rights of any Shareholder who is more than thirty (30) days delinquent in paying any Assessment. Common area privileges and voting rights will remain suspended until the delinquency, including any accumulated penalties, interest, and costs of collection, has been paid in full.

17.12. Section 17.12 – Secondary Address.

Shareholders have a right to identify in writing to the Mutual a secondary address for purposes of, without limitation, collection notices delivered pursuant to this Article XV. Upon receipt of a written request from a Shareholder identifying a secondary address, the Mutual shall send notices to that secondary address.

17.13. Section 17.13 – No Right of Offset.

There is no right of offset. A Shareholder may not withhold Assessments owed to the Mutual on the alleged grounds that the Shareholder would be entitled to recover money or damages from the Mutual based on some other obligation or some claim of another obligation.

17.14. Section 17.14 – Charges and Fees Subject to Change.

All charges and fees set forth in this Article XV are subject to change. Upon rule change notification to the Shareholders.

17.15. Section 17.15 – Dismissal of Action Upon Payment.

Within twenty-one (21) days of payment in full of all delinquent Assessments and charges, the attorney will dismiss the unlawful detainer action, and will provide the Shareholder with a copy of such dismissal.

17.16. Section 17.16 – Right to Receipt.

When a Shareholder makes a payment, the Shareholder may request a receipt and the Mutual shall provide same which shall indicate the date of payment and person who received such payment.

17.17. Section 17.17 – Overnight Payments.

Payments may be made by overnight mail to the following address:
Leisure World
Attn: Cashier, Finance Office
P.O. Box 2069
Seal Beach, California 90740

18. ARTICLE XVIII – LEASING RULES AND REGULATIONS**INTRODUCTION**

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SEAL BEACH MUTUAL NO. FOURTEEN**Rules and Regulations**

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

DEFINITIONS

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

Lease: A lease or rental agreement, whether or not in writing and regardless of whether any consideration is paid, entered into between a Shareholder and a Tenant for the Tenant's occupancy of the Shareholder's Unit.

Tenant: Any person who: (i) meets the age requirements set forth in California Civil Code Section 51.3, et. seq., specifically a person who is 55 years of age or older; and (ii) occupies any portion of a Unit at the Development pursuant to a Lease, irrespective of any rent paid or compensation given to the Shareholder of the Unit for such occupancy. All Tenants must sign the Addendum as further described in these Leasing Rules. Only persons who have signed the Addendum may reside in the Unit.

Rules and Regulations**18.1. Section 18.1 – Leasing of Units.**

The rental or leasing of any Unit shall be subject to the provisions set forth herein. When the term "rent" is used herein, it shall be deemed to mean and include the rental and/or leasing of a Unit.

18.2. Section 18.2 – Residential Purpose.

Each residence shall be used only as a residential dwelling for a single household. A Shareholder may rent/lease his or her Unit for such residential purpose under a Lease, pursuant to these Leasing Rules. The number of persons residing in a Residence at any time shall comply with the Shareholder's Occupancy Agreement and Addendum, all City and County codes, regulations, and ordinances regarding the occupancy of residential

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3805 dwellings, and may not exceed any occupancy limits established under such
 3806 codes, regulations, or ordinances. No Tenant or occupant of the Unit may
 3807 have a pet of any species.
 3808

18.3. Section 18.3 – Addendum to Occupancy Agreement.

3809 Any Shareholder approved by the Mutual to lease out his/her Unit is required
 3810 to execute an addendum to his/her Occupancy Agreement (“Addendum”).
 3811 Such Addendum will also require the signature of each Tenant. The failure of
 3812 the Shareholder and/or the Tenant to sign the Addendum shall be deemed a
 3813 waiver of the Shareholder’s right to rent the Unit.
 3814

18.3.1. Cost of Addendum.

3815 Shareholder shall pay the cost incurred by the Mutual for the
 3816 Mutual’s legal counsel to prepare such Addendum, in addition to
 3817 the cost to have the Addendum notarized and recorded, promptly
 3818 upon request.
 3819

18.4. Section 18.4 – Restriction on Number of Units Leased.

3820
 3821
 3822 **18.4.1.** No more than twenty five percent (25%) of the Units in the Mutual
 3823 shall be rented at any time (the “Leasing Cap”).

3824 **18.4.2.** A shareholder desiring to rent his or her Unit may submit to the
 3825 Board a written request for approval to rent. No Shareholder shall
 3826 rent his or her Unit prior to receiving written approval from the
 3827 Board.

3828 **18.4.2.1.** The Board shall respond to any Shareholder’s written
 3829 request for approval to rent the Shareholder’s Unit within
 3830 forty-five (45) days of the Board’s receipt of such
 3831 request. If the Board does not respond to the
 3832 Shareholder’s written request at the Shareholder’s last
 3833 known address of record within this time period,
 3834 permission to rent shall be deemed to have been
 3835 approved by the Board.

3836 **18.4.2.2.** The Board shall deny a Shareholder’s request for
 3837 approval to rent the Shareholder’s Unit if the number of
 3838 rented Units, plus the number of Units for which other
 3839 Shareholders have received Board approval to rent but
 3840 which are not yet rented, plus the Shareholder’s Unit
 3841 (the “Leased Unit Calculation”) exceeds twenty-five
 3842 percent (25%) of the Units in the Mutual. If the Leased
 3843 Unit Calculation does not exceed twenty-five percent
 3844 (25%) of the Units in the Mutual, the Board shall grant a
 3845 Shareholder’s request for rental approval.

3846 **18.4.2.3.** In the event a Shareholder’s request for approval to rent

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is denied, the Shareholder shall be placed on a waiting list maintained by the Mutual, and the Shareholder shall be given an opportunity to rent his or her Unit when such Shareholder's name is first on the waiting list and the Leased Unit Calculation no longer exceeds twenty-five percent (25%) of the Units in the Development.

18.4.2.4. If a Shareholder who has been approved to rent his or her Unit fails to rent his or her Unit within ninety (90) days of the date of rental 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.

18.4.2.5. If 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.

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

18.5. Section 18.5 – Lease Requirements.

18.5.1. 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.

18.5.2. 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

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3889 Tenant has received, read, and understands Occupancy
 3890 Agreement for Unit __, dated __, and any addendum thereto, and
 3891 the Bylaws, rules, regulations, and policies of Seal Beach Mutual
 3892 No. Fourteen (the "Governing Documents"). Tenant agrees to
 3893 comply with the terms of the Governing Documents, and
 3894 acknowledges that any failure by Tenant, or Tenant's family
 3895 members, social guests, houseguests, servants, employees, or
 3896 agents, to comply with the terms of the Governing Documents shall
 3897 constitute a material default under this Lease and may result in the
 3898 early termination of this Lease."
 3899 **18.5.3.** No less than the entirety of a Unit may be rented under a Lease, or
 3900 otherwise. Notwithstanding the foregoing, one (1) roommate
 3901 paying rent to a Shareholder may reside simultaneously with a
 3902 Shareholder in the Shareholder's Unit. Any roommate
 3903 contemplated herein must meet the age requirements of a Tenant,
 3904 specifically set forth in California Civil Code Section 51.3, et. seq.
 3905 The foregoing exemption shall only apply to Units with two (2)
 3906 bedrooms.
 3907 **18.5.4.** No sub-rental or sub-lease of a Unit shall be permitted, and no Unit
 3908 may be used for vacation rentals (for example only, listed on
 3909 Airbnb, VRBO or a similar website) or rented to a corporate
 3910 housing company.
 3911 **18.5.5.** No Unit may be leased for hotel or transient purposes.
 3912 **18.5.6.** The Lease must provide that upon the notice of intent to transfer
 3913 Stock, the Lease shall terminate, and the Tenant must vacate the
 3914 premises and remove all personal property within thirty (30) days.
 3915 The transfer of Stock cannot take place unless and until Tenant
 3916 has vacated the Unit.
 3917 **18.5.7.** Each Shareholder shall be responsible for any and all violations of
 3918 the Governing Documents committed by any Tenant, or any guest
 3919 or invitee of Tenant, of the Shareholder's Unit.
 3920 **18.5.8.** Each Shareholder shall be deemed to have agreed to save, hold
 3921 harmless, indemnify, and defend the Mutual and its Directors,
 3922 officers, agents, representatives, attorneys, and employees from
 3923 and against any and all claims, demands, actions, causes of
 3924 action, liabilities, damages, and expenses arising out of, or
 3925 incurred as a result of, the rental/leasing of the Shareholder's Unit,
 3926 together with all costs, expenses, and actual attorneys' fees
 3927 resulting therefrom.
 3928 **18.5.9.** Tenant must acknowledge the Mutual's right to initiate an unlawful
 3929 detainer action against the Shareholder in the event: (1) the
 3930 Tenant fails to abide by the terms of the Mutual's Governing

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Documents and the Shareholder fails to initiate an unlawful detainer action within thirty (30) days of notice from the Mutual Board of the same; and/or (2) the Shareholder's Share of Stock is terminated. Any expenses and attorneys' fees incurred by the Mutual, shall be paid as set forth in Section 7.1.2 of these Leasing Rules.

18.5.10. Tenant must acknowledge the Mutual's right to initiate an unlawful detainer action against the Shareholder in the event: (1) the Tenant fails to abide by the terms of the Mutual's Governing Documents and the Shareholder fails to initiate an unlawful detainer action within thirty (30) days of notice from the Mutual Board of the same; and/or (2) the Shareholder's Share of Stock is terminated. Any expenses and attorneys' fees incurred by the Mutual, shall be paid as set forth in Section 7.1.2 of these Leasing Rules.

18.6. Section 18.6 – Exemptions; Enforcement.

18.6.1. If a Shareholder rents his or her Unit without approval from the Board, or otherwise in violation of the provisions of these Leasing Rules, the Mutual is authorized to pursue all of its available legal rights and remedies against the Shareholder to enforce such violation and the Shareholder shall be subject to disciplinary measures, including, but not limited to: (a) a monetary penalty in an amount to be determined by the Board; (b) other disciplinary measures; (c) termination of the Occupancy Agreement; (d) injunctive relief; and/or (e) a Reimbursement Assessment in an amount equal to the costs incurred by the Mutual related to addressing such violation, including, without limitation, attorneys' fees and costs, irrespective of whether the Mutual is able to obtain a court order to evict the Tenant or otherwise effectuate the legal eviction of the non-compliant Shareholder and/or Tenant from the Shareholder's Unit.

18.6.2. Notwithstanding anything to the contrary contained in these Leasing Rules, the Leasing Cap shall not apply to the Mutual.

18.7. Section 18.7 – Unlawful Detainer.

18.7.1. Failure by a Shareholder to take legal action, including the institution of unlawful detainer proceedings to evict such Shareholder's Tenant, who is in violation of the Mutual's Governing Documents, including without limitation, the Articles, Occupancy Agreement and/or Addendum thereto, Bylaws, Rules and Regulations, or Policies, within ten (10) days after receipt of written demand so to do from the Board, shall constitute a default of the

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Shareholders Occupancy Agreement and/or Addendum thereto and entitle the Mutual, through the Board, to take any and all such action necessary, including without limitation, declaring forfeiture/termination of the Shareholder's Occupancy Agreement, and the institution of unlawful detainer proceedings against the Shareholder to recover possession of the Unit.

18.7.2. In any such unlawful detainer action against the Shareholder, the Mutual will seek an award of its attorney's fees and costs incurred in connection with the same pursuant to the Occupancy Agreement and/or Addendum thereto. Any other expenses incurred by the Mutual in connection with the enforcement of these Leasing Rules, including attorney's fees, shall be repaid to it by such Shareholder. Failure by such Shareholder to make such repayment within (10) days after receipt of a written demand therefor shall entitle the Board to levy a Special Assessment against such Shareholder and such Shareholder's Unit for all such expenses incurred by the Mutual.

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

18.8. Section 18.8 – Shareholder Liability.

Shareholder shall be absolutely liable to the Mutual and other Shareholders and their families, guests, tenants, and invitees for any liability arising from the acts/or omissions of such Shareholder's Tenant. Each Shareholder who chooses to lease such Shareholder's Unit agrees to be held liable for all acts, whether negligent or non-negligent of such Shareholder's Tenant and/or any guests or invitees of Tenant.

18.9. Section 18.9 – Mutual Not a Landlord.

The exercise and enforcement of the Mutual's rights under these Leasing Rules shall in no way constitute the Mutual as a landlord or lessor under any Lease, and the Mutual shall have no such responsibility. Each Shareholder hereby agrees to indemnify, defend, and hold harmless the Mutual and its Directors, officers, agents, representatives, employees, and 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.

18.10. Section 18.10 – Shareholder Insurance Requirements.

18.10.1. Property Damage and General Liability Insurance.

Each Shareholder is responsible for insuring his or her personal

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property located within the Mutual. Each Shareholder is also responsible for ensuring 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 these Leasing Rules precludes any Shareholder from carrying public liability insurance as he or she may deem reasonable, however, such insurance coverage may not adversely affect or diminish any coverage under any of the Mutual's insurance policies. If any loss intended to be covered by insurance carried by or on behalf of the Mutual occurs and the proceeds payable are reduced due to insurance carried by a Shareholder, such Shareholder shall assign the proceeds of the Shareholder's insurance to the Mutual, to the extent of such reduction, for application to the same purposes as the reduced proceeds are to be applied.

18.10.2. Renter's and Landlord's Insurance.

A Shareholder whose Unit is subject to a Lease shall require as a term of the Lease that the Tenant is required, at all times during the Tenant's tenancy and occupancy of the Shareholder's Unit, to obtain and maintain "renter's insurance" of no less than fifty thousand dollars (\$50,000.00), insuring, including without limitation, the Tenant for general liability, property damage, and the replacement value of the Tenant's personal property and belongings located in the Unit from damage and loss. Such Shareholder shall also be required to maintain "landlord's insurance" during the period of the Lease, under an insurance policy that covers the Shareholder's Unit from financial losses connected with the Unit; such policy shall cover standard perils such as fire, and, to the extent commercially available, include coverage for accidental damage, malicious damage by tenants, and rent guarantee insurance.

18.10.3. Proof of Insurance.

Duplicate copies of the insurance policies required under these Leasing Rules shall be submitted by a Shareholder to the Board at the New Tenant Orientation and upon request thereafter. Notwithstanding the foregoing, the Mutual shall not have the obligation to confirm that any Shareholder or Tenant carries the insurance required under these Leasing Rules and/or confirm the terms of any insurance purchased by a Shareholder or Tenant.

18.10.4. Lack of Insurance.

The Mutual shall not be responsible for any damage or loss to a Shareholder's Unit, another Unit, or the Common Area for which

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the Shareholder is responsible, and the Shareholder does not maintain sufficient insurance coverage for the cost of repair and restoration of such damage or loss. Any failure by the Tenant to have renter's insurance shall be regarded as a material breach of the Lease.

18.11. Section 18.11 – Tenant Eligibility.**18.11.1. No Discrimination.**

No Shareholder shall execute or cause to be recorded any instrument that imposes a restriction on the rental or occupancy of the Shareholder's Unit on the basis of race, color, religion, sex, gender, gender 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.

18.11.2. 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.

18.12. Section 18.12 – Board's Right to Impose Additional Rules and Regulations.

As long as Civil Code Section 4741, or similar statutes, is effective and has not been overturned by the Courts or repealed or otherwise amended by the state legislature, these Leasing Rules will remain effective. Should Civil Code Section 4741, or similar statutes, be overturned, repealed, or otherwise amended, the Board retains the right to revoke and/or revise these Leasing Rules accordingly. The Board retains the right to establish and enforce additional Rules and Regulations to implement the leasing restrictions contained in these Leasing Rules and any other Governing Documents of the Mutual.

18.13. Section 18.13 – Inspection of Unit Upon Termination of Lease.

The Mutual shall conduct an inspection of any leased Units within the Mutual, upon the termination of the Lease. The Mutual will provide notice of such

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inspection to the Shareholder, if required under to the Occupancy Agreement or Addendum. The Mutual is entitled to charge a fee for such inspection. The fee will be as set forth in the Mutual's Schedule of Fees and is subject to change at the Board's sole discretion.

18.14. Section 18.14 – Tenant Not Entitled to Take Over Rights of Shareholders.

18.14.1. 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.

18.14.2. Tenant and Shareholder Required to Attend Orientation.

All new Tenants within the Mutual are required to attend a New Tenant Orientation. All leasing Shareholders will be required to attend such Orientation with the Tenant. The Mutual is entitled to charge a fee for such New Tenant Orientation. The current cost for this orientation to the Shareholder will be \$100.00 and is subject to change at the sole discretion of the Board.

18.14.3. All required documents for orientation must be presented to the board 3 working days prior to the New Tenant Orientation, including background and credit checks, proof of insurance for both the Tenant and the Shareholder, signed Occupancy Agreement and Addendum, Lease, Tenant contact information and shareholder contact information.

18.14.4. Tenant is not permitted to have overnight guests.

18.14.5. Except in case of emergency, Tenant 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 issues. Tenant must contact the Shareholder-Landlord for any non-emergency maintenance issues.

18.14.6. Tenant is only permitted to have one (1) car in the Mutual.

18.15. Section 18.15 – Forfeiture of Shareholder Rights.

Shareholder cannot utilize any common areas of the Mutual, including without limitation, laundry rooms, use of carport and storage cabinets therein, if a shareholder elects to lease out his/her unit to a tenant.

18.16. Section 18.16 – Background and Credit Checks.

Shareholder must conduct a background check and a credit check prior to entering into a lease agreement with a Tenant. Upon demand by the Board, Shareholder must present the Board with a copy of the results of the

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background check and the credit check within ten (10) days of such request, at the New Tenant Orientation.

18.17. Section 18.17 – Documents to Mutual.

Prior to Tenant Occupancy of any unit in the Mutual the Shareholder must provide to the Mutual:

18.17.1. Lease.

The Shareholder shall provide the Mutual with a copy of the executed Lease.

18.17.2. Tenant Contact Information.

The telephone number and e-mail address, if applicable, of the Tenant, and information related to any vehicle of the Tenant, including the make, model, color, and license plate number.

18.17.3. Shareholder Contact Information.

The telephone number and any change in address of the Shareholder.

18.18. Section 18.18 – Fine Policy of the Mutual.

Pursuant to the Mutual's Governing Documents, the Shareholder will be called to a hearing for any Tenant violations of the Governing Documents, and the Mutual Board will determine what disciplinary measures and/or monetary fines to levy against Shareholder. The Mutual's Fine Policy in effect at the time the violation occurs will be applied.

Exhibit "A"**Standardized Appliance List****FOR OCCUPANCY AGREEMENTS EXECUTED PRIOR TO 10/1/2019****REFRIGERATORS**

Whirlpool WRT318FZDW

DESCRIPTION

Top Freezer, 18.0-cu ft., White

ELECTRIC OVENS

Frigidaire

DESCRIPTION

White FFEW2726TW

ELECTRIC COOKTOPS

Whirlpool

DESCRIPTION

White WCC31430AW

WASTE DISPOSALS

Insinkerator, ¾ H.P., Pro Essential – PRO ES

DESCRIPTION**KITCHEN FAUCETS****DESCRIPTION**

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4183	Delta #100-LF-HDL	Without sprayer
4184	KITCHEN SINKS	DESCRIPTION
4185	Kohler K5950W	White
4186		
4187	BATHROOM FAUCETS	DESCRIPTION
4188	Delta B510LF	
4189		
4190	BATHROOM SHOWER FIXTURES	DESCRIPTION
4191	Delta Shower Head 59462	White
4192		
4193	BATHROOM SINKS	DESCRIPTION
4194	Mansfield 249 4"	Round – White
4195	Mansfield 249 4"	Oval – White
4196		
4197	BATHROOM TOILET BOWLS & TANKS	DESCRIPTION
4198	Toto C715 #01 Bowl	White Standard
4199	Toto C744 #01 Bowl	White Hi-Boy
4200	Toto C744 #01 Bowl	Bone Hi-Boy
4201	Toto ST743 #01	Tank, White, 1.28gpf
4202		
4203	BATHROOM FAN/HEATER	DESCRIPTION
4204	Delta (Heater/Fan/Light)	Model RAD80LED
4205		
4206	ELECTRIC WATER HEATERS	DESCRIPTION
4207	28-Gallon 3000W, Low Boy	American Standard RE30L-2-12
4208		
4209	WATER HEATER ALARMS	DESCRIPTION
4210	Model 00702	Sonin Water Alarm with Dual
4211		Sensor
4212		
4213	SMOKE DETECTORS	DESCRIPTION
4214	Kidde, Wireless, 10-year Battery	Model i9010
4215	Kidde, Hard-Wired, 10-year Battery Back-up	Model i12010S
4216		
4217		
4218	EXHIBIT "A-2"	
4219	INTERIOR OF UNIT	
4220		
4221	1. All new water piping shall be copper pipe. (Type L)	
4222	2. All new angle stops, ¼ turn on remodels, countertop replacements and fixture	
4223	replacements. NO gate valves. (Dhal, eco series angle stops required, supply	
4224	store on site stocks this item).	

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3. All new wood framing members to be treated with Timbor or like product for termite barrier. (Shareholder shall follow manufacturer's instructions).
4. Reverse Osmosis systems, ice makers, toilet seat bidets shall follow manufactures specifications. (Preferred piping, copper pipe).
5. If water heater is replaced, smitty pan and (Sonin alarm) dual sensor alarm is required.
6. Sound board required all around washer and dryer, walls, ceilings if located on common party walls.
7. Shall have attic access inside unit (22"x30") if kitchen ceiling area is flared.
8. Walk in Therapeutic / Jacuzzi tubs shall have sound board applied to all surrounding walls, floor to ceiling with drywall mud and taped using non-absorbent wall finish. (Can use other wet location wall finished). Shower trap shall be replaced using an all-glue ABS trap, maintain 2" trap with an accessible clean out. Tub faucet shall have shut offs that are accessible (angle stops). Shareholder signature is required with insurance (\$300,000) for full liability of Therapeutic / Jacuzzi Tubs.
9. Electrical panel replacement shall require a QO124L 125G Square D 125A with a 100A main shut off with 24 spaces.
10. No plastic nuts or fittings allowed on plumbing fixture supply lines.
11. Contractor is responsible for the removal and replacement of the Sonin dual alarm water heater sensor. No excuses, every unit has one.
12. Minimum water heater access opening of 8"x8" located between 36" and 52" above the floor for water heater inspections, main water valve unit shut off, refrigerator plug access.
13. All sledge or jack hammering of concrete monolithically connected to other units must first be saw-cut to reduce vibration to adjoining units.
14. Built in clothes dryers shall have a dryer vent with a readily accessible vent clean out installed, only rigid vent piping allowed in the attic (follow CMC). Shall use Dryer Jack Model #466 for vent cap.
15. Fire Averts for all new appliances during a reconstruction project shall be required to be installed by the contractor doing the work (permit holder). Material (Fire Avert) shall be covered by the mutual corporation. (Physical Property Inspector will order).

EXTERIOR OF UNIT

1. Satellite dish roof mounting shall be at the end of the building only.
2. To maintain on all remodels and replacements a 36" wide hinged swinging entry door.
3. New entry doors or change-outs shall require a hardwired, mechanical, wireless or knocker type doorbell.
4. Entry walk shall be a minimum width of 4' and a maximum of 5', sprinklers

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- 4267 adjusted for complete coverage.
- 4268 5. All skylights shall have a 2"x6" curb, stepped flashed, 6"x14" saddle flashing at the
- 4269 top, (30" and greater in width require a cricket flashing) all metal shall be 26
- 4270 gauge, no self-flashing skylight kits. (See Physical Property Roofing
- 4271 Requirements).
- 4272 6. All projects that require sprinkle and grass repair shall be required to hire the
- 4273 Mutual's Landscape Contractor for all grass and sprinkler repairs. All repairs shall
- 4274 be determined by the Landscape Contractor. All grass repairs shall be sod (no
- 4275 seed), garden area sprinklers cannot tie into lawn sprinkler system. Contact Info:
- 4276 Jose Anguiano, 11535 Belcher St. Norwalk CA 90650 / Tel: 562.650.1511
- 4277 7. Bow and Bay windows shall be to grade.
- 4278 8. Deco blocks are no longer required for remodels.
- 4279 9. All window surfaces shall be a minimum of 1" from the back of the fascia.
- 4280 10. No T-111 is allowed or any wood products for exterior finish. Hardy board or
- 4281 stucco finish only.
- 4282 11. New 5" gutter and oval dropouts with down spouts (2) for two-bedroom units, (1)
- 4283 for one-bedroom units. Sealed and tested, on all remodels before final approval is
- 4284 given. Do not touch new seamless gutters, contact Physical Property Inspector).
- 4285 12. All HVAC condensers shall have a 4" concrete base, condensate line shall
- 4286 terminate at the kitchen or bath sink using a wye branch connection. Condenser
- 4287 shall be as close to the center of the unit as possible and meeting City of Seal
- 4288 Beach A-weighted sound rating. All units shall have a blind installed around two
- 4289 side of the condenser to mask view, any other blind material shall require BOD
- 4290 approval. All HVAC systems shall have attic access installed. (min. size 22"x30".
- 4291 7499.14)
- 4292 a. Qualifying Resident must install a concrete pad and deco block blind when
- 4293 installing a ducted heating and air conditioning unit. Ductless heating and
- 4294 air conditioning units shall have a concrete pad; however, no deco block
- 4295 blind is required. Units must be masked from view and use of bricks or
- 4296 other blind material/design shall be approved by the Board of Directors on
- 4297 a case-by-case basis. A minimum of fifty percent (50%) air space should be
- 4298 maintained within the material for air circulation.
- 4299 b. Qualifying Resident must ensure that any all-installed heating and air
- 4300 conditioning units have attic access from inside the Unit. The minimum size
- 4301 for attic access is 22" wide x 30" long. Qualifying Resident should refer to
- 4302 the California Mechanical Code for complete requirements. The
- 4303 condensation line shall terminate at the kitchen or bath sink as set forth in
- 4304 the Mechanical Code.
- 4305 c. The City of Seal Beach requires an A-weighted sound calculation prior to
- 4306 the issuance of a building permit, and Physical Property requires this to be
- 4307 submitted prior to approval of said permit (Municipal Code 7.15.035).
- 4308 Exterior sound 55db.

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d. At the time of sale for a unit during escrow, the HVAC system will be tested for proper function of the unit, as well as adding attic access if not one already (22"x30"). A concrete pad shall be installed under the condenser and the condensate drain line shall be rerouted to the trap side of a sink if not done.

13. Hose bib riser shall be copper pipe (type L) tie in for the riser shall be outside of new concrete footings, piping shall be sleeved for protection. Location shall be close to entry door, 18" min. to a max. 32" above grade. applies to stack stone or other material covering hose bib.

14. All new roofs for the mutual are under warranty. Roofing contractor contact information is listed below; all roof work shall require this roofing company to complete all roof work to maintain our warranty.

Will Mulcahy
Roofing Standards, Inc.
930 Lawrence St. Bldg. A
Placentia, CA 92870
Office: 714-993-9715
Fax: 714-993-9743
Cell: 562-265-0976
Email: will@roofingstandards.com
Web: roofingstandards.com
Lic#: 741302

EXHIBIT "B"
Approved Plants

1. Daylily (Hemerocallis)
2. Mexican Sage (Salvia Leucantha)
3. 'Santa Barbara' Nandia "Gulfstream" (Nandina domestica 'Gulfstream')
4. Marjorie Channon Pittosporum (Pittosporum tenuifolium 'Marjorie Channon')
5. Nandina – Gulfstream (Nandina domestica 'Gulfstream')
6. Duranta (Duranta spp.)
7. Raphiolepis – pink lady (Raphiolepis indica 'Pink Lady')
8. Heather - Mexican heather (Cuphea hyssopifolia)
9. Agapanthus (common) (Agapanthus spp.)
10. Holly Family (Ilex spp.)
11. Fuchsia (Fuchsia magellanica)
12. Hydrangea (Hydrangea macrophylla)
13. Roses (Rosa spp.)
14. Lily of the Nile (Agapanthus africanus)
15. Verbena (Verbena spp.)
16. Heavenly Bamboo (Nandina domestica)

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- 4351 17. Liriope (Liriope muscari)
- 4352 18. Pyracantha (Pyracantha coccinea)
- 4353 19. Cape Honeysuckle (Tecomaria capensis)
- 4354 20. Hot Lips Sage (Salvia microphylla 'Hot Lips')
- 4355 21. Lantana Little Lucky (Lantana camara 'Little Lucky')
- 4356 22. Heaven's Breath (Coleonema pulchellum (Pink Breath of Heaven))
- 4357 23. Blonde Ambition (Bouteloua gracilis 'Blonde Ambition')
- 4358 24. Statice Plant (Limonium perezii)
- 4359 25. Carrissa 'Green Carpet' (Carissa macrocarpa)
- 4360 26. Echeveria (Echeveria spp.)
- 4361 27. Aloe (Aloe spp.)
- 4362 28. Kniphofia -Red Hot Poker (Kniphofia uvaria)
- 4363 29. Carex (Foothill Sedge)(Carex tumulicola)
- 4364 30. Pennisetum Fairy Tails (Pennisetum 'Fairy Tails')
- 4365 31. Pink Muhlygrass (Muhlenbergia capillaris)
- 4366 32. Euonymus Variegated (Euonymus variegate)
- 4367 a. Approved Annual and Perennial Flowering:
- 4368 i. Impatiens – New Guinea (Impatiens hawkeri)
- 4369 ii. Vinca (Catheranthus roseus)
- 4370 33. Dwarf Citrus Trees (Citrus SPP)

EXHIBIT "C"**Non-Approved Plants**

- 4371
- 4372
- 4373
- 4374
- 4375 1. Asparagus Fern (Myer's Asparagus) Asparagus densiflorus, 'Myers' Cactus
- 4376 (Large) Cactus spp.
- 4377 2. Ivy (Hedera helix)
- 4378 3. Wild Mint (Mentha arvensis)
- 4379 4. Citrus of any kind (Citrus spp.) Except Dwarf Citrus Trees
- 4380 5. Spiderwort (Tradescantia virginiana)
- 4381 6. Bamboo (Bambusa vulgaris)
- 4382 7. Fruit of any kind Trees of any kind vegetables. Except Dwarf Citrus Trees
- 4383 8. Ficus (Ficus spp.)
- 4384 9. Palms
- 4385 10. Elephant Ears Colocasia esculenta
- 4386 11. Firestick Plant Euphorbia tirucalli Plastic Plants & Flowers
- 4387 12. Split Leaf Philodendron (Jade)
- 4388

EXHIBIT "D"**FINE SCHEDULE**

4391 Including, but not limited to property alterations and/or improvements made without

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approval, repair and upkeep of property, unauthorized signs, and all other violations of the Mutual's Governing Documents, except as otherwise set forth herein, may be assessed a monetary penalty in the following amounts:

Violation	1st Offense	2nd and each subsequent and/or continuation of offense
Residency/occupancy violations (e.g. unauthorized occupants, guests residing longer than permitted)	Notice to Comply in 48 hours	Notice and hearing and fine of up to \$500 and up to \$100 per/day for each additional day of non-compliance, for a maximum of 20 days.
Violation of Roof & Attic Access and Non-Permitted Alterations	Notice and hearing and up to \$1,000 and removal of unauthorized installation if non-compliant equipment and alterations, if applicable, at the shareholders expense.	
Violation of Mutual Occupancy Agreement & all other Rules & Regulations	Written warning	Notice and hearing and fine of up to \$100 and up to \$100 per/day for each additional day of non-compliance, for a maximum of 20 days.
Violation of Leasing Rules	Notice and hearing and fine up to \$2,500.00	Notice and hearing and fine up to \$5,000.00
Violation of Leasing Rules – Lease for less than Thirty Days (Short-Term Rental)	Notice and hearing and fine of up to \$5,000.00	Notice and hearing and fine of \$2,500.00 to \$7,500.00

EXHIBIT "E"
RULES ON ELECTRIC VEHICLE CHARGING STATIONS

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SEAL BEACH MUTUAL NO. FOURTEEN**Rules and Regulations****1. Introduction**

The Seal Beach Mutual No. Fourteen (“Mutual”) recognizes the benefits that electric vehicles have on the environment, promotes, and encourages the use of electric vehicle charging stations (“Charging Stations”) within the Community, and is committed to working with Shareholders¹ interested in installing a Charging Station.

The Mutual’s Board of Directors (“Board”) recognizes that in order to fulfill its responsibilities, it must impose reasonable restrictions on installations of Charging Stations. Therefore, the Mutual has adopted these Rules on Electric Vehicle Charging Stations (“EV Rules”), which places reasonable restrictions that do not significantly increase the cost of the Charging Station or significantly decrease its efficiency or specified performance. In addition, the EV Rules ensures that a uniform and reasonably high standard of attractiveness is maintained within the Community, and that the Mutual is able to continue to meet its obligations for the maintenance, repair, and replacement of the common area, exclusive use common area and other building components.

The Mutual has established these EV Rules, including the guidelines described below, regarding the installation of Charging Stations within the Community. The EV Rules are based on, and designed to comply with, Civil Code sections 4745 and 4745.1, and as they may be amended from time to time. The EV Rules are designed to aid Shareholders in developing their electric vehicle charging station projects within Mutual expectations, thereby minimizing the time for review and approval by the Board. Interpretation, variances, and implementation of the Bylaws and Rules and Regulations of the Mutual (collectively “Governing Documents”) are at the sole determination of the Board. These EV Rules supersedes any and all previous policies and guidelines promulgated by the Mutual, if any.

2. Definitions

A Charging Station is defined as a station designed in compliance with California Building Standards Code and which delivers electricity from a source outside an electric vehicle into one or more electric vehicles. A Charging Station may include several charge points simultaneously connecting several electric vehicles to the station and any related equipment needed to facilitate charging of plug-in electric vehicles.

An EV-dedicated TOU meter (“TOU Meter”) means an electric meter supplied and installed by an electric utility, that is separate from, and in addition to, any other electric meter and is devoted exclusively to the charging of electric vehicles, and that tracks the time of use (TOU) when charging occurs. A TOU Meter includes any wiring or conduit necessary to connect the electric meter to a Charging Station, as defined in Section 4745, regardless of whether it is supplied or installed by an electric utility.

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SEAL BEACH MUTUAL NO. FOURTEEN**Rules and Regulations****3. Guidelines for Charging Stations and TOU Meters**

All installations and/or alterations of a Charging Station, a TOU Meter, and any wiring or conduit necessary to connect the same must be approved in writing by the Board prior to commencing any construction activities.

Prior to providing its approval, the Mutual requires that the Shareholder provide evidence that he or she has obtained all necessary governmental permits as well as a GRF Permit from the Physical Property Department, as set forth in Section 3.2 of the Rules and Regulations.

Any Shareholder who installs or seeks to install a Charging Station and/or TOU Meter without prior written permission and approval of the Board, shall be responsible for all costs incurred to remove, relocate, or modify the Charging Station and/or the TOU Meter, including attorney's fees and costs.

An application for approval shall be submitted, processed, and approved in the same manner as an application for approval of an architectural modification to the property as set forth in the Governing Documents of the Mutual and the following:

- a. Approval or denial of the application shall be made in writing.
- b. If the application is not denied within sixty (60) days from the date of receipt of the application, then the application shall be deemed approved, unless that delay is due to a reasonable request by the Mutual for additional information; and
- c. Approval shall not be unreasonably avoided or delayed.

A Shareholder may install and use a Charging Station and/or a TOU Meter in the Shareholder's designated Carport once application is approved. A Shareholder must meet all applicable health and safety standards and requirements imposed by state and/or local authorities as well as other applicable zoning, land use, and other ordinances or land permits.

A Shareholder seeking to install a Charging Station and/or a TOU Meter for the exclusive use of a Shareholder in a portion of the Common Area that is not the Shareholder's designated Carport shall be authorized by the Mutual only if installation in the Shareholder's designated Carport is impossible or unreasonably expensive, as determined in the sole discretion of the Board.

Where any portion of the project impacts Common Area/components and/or or Exclusive Use Common Area/components, the Mutual will require that the Shareholder enters into a release and indemnification agreement with the Mutual for the alteration/use of the space in the Common Area, subject to applicable provisions of the Davis-Stirling Common Interest Development Act ("Davis-Stirling Act") and any reasonable restrictions imposed by the Mutual. The cost for the preparation of such an agreement is \$600.00 subject to change (plus the cost of recordation), to be paid by the Shareholder.

A Shareholder must meet all applicable health and safety standards and

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requirements imposed by state and/or local authorities as well as other applicable zoning, land use, and other ordinances or land permits.

In compliance with the applicable provisions of the Davis-Stirling Act and the Governing Documents, the following requirements must be met if a Charging Station and/or a TOU Meter is to be installed:

- a. Shareholder must meet all applicable health and safety standards and requirements imposed by state and/or local authorities as well as other applicable zoning, land use, and other ordinances or land permits.
- b. Shareholder must obtain prior Board approval and agree in writing to do each of the following: (1) comply with all Mutual architectural standards; (2) utilize a properly licensed and insured contractor to install the Charging Station and/or the TOU Meter; (3) within fourteen (14) days of approval and annually thereafter, provide a certificate of insurance that names the Mutual as an additional insured under the Shareholder's insurance policy in the amount of not less than one million dollars (\$1,000,000.00); (4) pay for all electricity usage associated with the Charging Station; and (5) enter into a License Agreement and pay for the costs of same.
- c. Shareholder and each successive owner of the Charging Station and/or the TOU Meter shall be responsible for all of the following: (1) costs for damage to the Charging Station, and/or TOU Meter, Common Area, Exclusive Use Common Area, Units, and any other property resulting from the installation, maintenance, repair, removal, or replacement of the Charging Station and/or the TOU Meter; (2) costs for the maintenance, repair, and replacement of the Charging Station and/or the TOU Meter until it has been removed and for the restoration of the Common Area after removal; (3) costs of electricity associated with the Charging Station; (4) disclosing to prospective shareholders of the existence of any Charging Station and/or the TOU Meter of the Shareholder and the related responsibilities of the Shareholder under this EV Rules and the Davis-Stirling Act, specifically Civil Code sections 4745 and 4745.1, and as it may be amended from time to time; and (5) maintaining a homeowner liability coverage policy in the amount of not less than one million dollars (\$1,000,000.00) and naming the Mutual as a named additional insured under the policy with a right to notice of cancellation.

The Mutual shall have no obligation to resolve any disputes related to allegations or claims that any Shareholder or other person has used another Shareholder's

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4528 Charging Station and/or the TOU Meter without permission, or that any
 4529 Shareholder or other person has damaged another Shareholder's Charging Station
 4530 and/or TOU Meter. A Charging Station and/or TOU Meter installed and/or used by
 4531 a Shareholder at the Mutual, as permitted under these EV Rules, shall be
 4532 considered a Shareholder's personal property for which the Shareholder is solely
 4533 responsible.

4534 If required by the Mutual, Shareholder shall retain and pay for the services of a duly
 4535 licensed structural engineer (as defined in California Business & Professions Code
 4536 § 6736) to make a determination that the structural integrity of the Mutual building
 4537 on which the installation will be located is adequate to support the Charging Station
 4538 to be installed.

4539 The Shareholder-owner of the Charging Station and/or the TOU Meter shall be
 4540 solely responsible for the increase in any costs to maintain, repair, and/or replace
 4541 any building components as a result of the installation of the same. The Charging
 4542 Station and/or the TOU Meter may need to be lifted and/or removed to allow for the
 4543 ongoing maintenance of the Mutual, and the Shareholder-owner of the Charging
 4544 Station and/or the TOU Meter shall be solely liable for such costs. Upon request
 4545 from the Mutual, the Shareholder-owner of the Charging Station and/or the TOU
 4546 Meter shall have the same lifted or removed within fourteen (14) days to
 4547 accommodate repairs and maintenance to any Mutual components. If the
 4548 Shareholder fails to lift or remove the Charging Station and/or the TOU Meter
 4549 within the allotted time, the Mutual shall be authorized to cause the lifting or
 4550 removal of the Charging Station and/or the TOU Meter and charge the actual cost
 4551 of the same to the Shareholder as a special assessment. In no event shall the
 4552 Mutual be responsible for the costs of lifting, removing, and/or reinstalling the
 4553 Charging Station and/or the TOU Meter, or for any increase in the Shareholder's
 4554 expenses during times which the Charging Station and/or the TOU Meter is
 4555 inoperable for any reason.

4556 Prior to the sale or transfer of any Charging Station and/or the TOU Meter
 4557 equipped property, either: (1) the Charging Station and/or the TOU Meter must be
 4558 removed from the Common Area and the same put back into its original condition
 4559 at the Charging Station and/or the TOU Meter Shareholder's sole cost and
 4560 expense; or (2) the transferee of the stock must, within fourteen (14) days of
 4561 purchase, provide a certificate of insurance that names the Mutual as an additional
 4562 insured under the new owner's insurance policy in the amount of not less than one
 4563 million dollars (\$1,000,000.00); and agree to assume, abide by, and be bound by
 4564 all of the terms of these EV Rules.

4565 The Mutual shall retain the right to inspect the Charging Station and/or the TOU
 4566 Meter and verify that installation adheres to all of the provisions of the EV Rules.
 4567 Any and all costs incurred by the Mutual for a professional inspection of the
 4568 Charging Station and/or the TOU Meter and/or its installation shall be the sole
 4569 obligation of the Shareholder of the same.

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In any action resulting from a dispute between the Shareholder(s) of the Charging Station and/or the TOU Meter and other Shareholder(s) of the Charging Station and/or the TOU Meter and the Mutual, related to the installation of the same, or any provisions of this EV Rules, the prevailing party shall be awarded its reasonable attorney's fees.

All parties will cooperate to take any and all actions and sign all documents reasonably necessary to effectuate the intent, and to carry out the provisions, of this EV Rules, including, but not limited to, the execution and delivery of all documents and performance of all further acts reasonably necessary for this purpose.

EXHIBIT "F"**ELECTRIC VEHICLE CHARGING STATION RELEASE AND INDEMNITY AGREEMENT**

This Electric Vehicle Release and Indemnity Agreement ("Agreement") is by and between Seal Beach Mutual No. Fourteen ("Mutual") and _____ ("Shareholders"). The Mutual and Shareholders are referred to collectively as the "Parties" and individually as a "Party."

RECITALS

1. Whereas, the Mutual is a California corporation organized and existing under and by virtue of the laws of the State of California. It is organized for the purpose of providing its common stockholders with housing on a non-profit basis, consistent with the provisions set forth in its Articles of Incorporation, By-Laws, Rules and Regulations, Occupancy Agreement, and other governing documents ("Governing Documents").
2. Whereas, Shareholders are the record owners of a stock connected to the unit situated within the Mutual, located at _____ ("Property"), and are thus shareholders of the Mutual.
3. The Shareholder's Unit Number, Carport Number, and Space Number of the Property is as follows: _____.
4. Whereas, all shareholders of the Mutual are bound by the restrictions imposed in the Bylaws, Occupancy Agreement, and Rules and Regulations ("Governing Documents").
5. Whereas, the Mutual's Governing Documents provides that the Common Area within the Mutual is composed of the entire Community except the Units, and that the Common Area is owned by the Mutual and includes open spaces, recreational areas and other improvements intended for the general use of the Shareholders. Further, the Mutual shall provide maintenance, repair and replacement of improvements in the

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common area, including but not limited to common area building components, landscaping, and utility facilities. (See Bylaws, Art. X, Sec.10.1(h), Art. I, Sec. 1.5(c)).

6. Whereas, Shareholders seek to install an electric vehicle charging station ("Charging Station") in or around the Carport, within the Common Area of the Mutual, which could potentially impact the Mutual's ability to properly maintain, control and manage the Common Area in a safe condition, pursuant to the Governing Documents.

7. Whereas, Shareholders represent and warrant that they have obtained all other approvals and/or permits required in order to install the Charging Station, including any approval and/or permit required from the City, County, and/or the Mutual (as stated in the Governing Documents), as may be applicable, and, have provided sufficient evidence of the same to the Mutual.

8. Whereas, the Parties have agreed to be bound by the provisions provided for in this Agreement and in Civil Code §4745, which will permit Shareholders to install the Charging Station in exchange for certain maintenance costs and indemnity provided for herein.

AGREEMENT

NOW THEREFORE, in exchange for the releases, promises and other consideration described in this Agreement, and by incorporation of the recitals referenced above, the Parties agree as follows:

1. Permission for Electric Vehicle Charging Station Installation. The Mutual hereby grants permission to Shareholders for the installation of the Charging Station in the Common Area of the Property, at a specific location as approved by the Mutual, subject to the conditions and limitations contained herein. It is expressly understood that Shareholders are not being granted exclusive use to Common Area, and that it is not appurtenant to their separate interest in the Unit. It is further understood that Shareholders are not entitled to utilize the Mutual's Common Area for any other purpose, except as granted by the Mutual's Governing Documents. If at any time Shareholders shall fail to comply with any of the terms or conditions contained in this Agreement, such permission shall be immediately revoked and the Mutual's building shall be put back into its original condition at Shareholders' sole cost and expense. Each of Shareholders' obligations under this Agreement are a material term, and breach of any of Shareholders' obligations shall be considered a material breach of this Agreement.
2. Indemnity and Release of Mutual. Shareholders, on behalf of himself, herself, and any heirs, representatives, successors and assigns, hereby indemnifies, holds harmless, shall defend, and releases the Mutual and its officers, directors, employees, members, attorneys, and agents, and each of them, from any and all claims, debts, liabilities,

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demands, and causes of action, whether known or unknown, now and in the future, arising from or related to any loss or damage, including, without limitation, water damage, and any other damage sustained from or arising from the Charging Station and its installation, maintenance, or use, or any claims relating to the legality of the installation of the Charging Station and/or any legal challenge concerning the installation of the Charging Station by any other member of the Mutual, and shall remove the Charging Station in the event of such challenge. Shareholders agree to be solely responsible for any water intrusion, mold, and/or other damages caused to the Property, the Mutual's common area, or to any other property at the Mutual as a result of the installation, maintenance, and/or use of the Charging Station. Shareholders further agree to be solely responsible for any costs incurred by Shareholders and/or the Mutual, including actual attorney fees, in the defense of any legal or other challenge to the installation, maintenance and/or use, of the Charging Station, as described herein.

3. Future Maintenance and Repair. Shareholders agree to pay to the Mutual the actual increase in any costs to maintain, repair, and/or replace any building components as a result of the installation, maintenance and/or use of the Charging Station. Shareholders specifically acknowledge that the Charging Station may need to be lifted and/or removed to allow for the ongoing maintenance of the building, and Shareholders agree to be solely liable for such costs. Upon request from the Mutual, Shareholders agree to have the Charging Station lifted or removed within fourteen (14) days to accommodate repairs and maintenance to any building components. If Shareholders fail to lift or remove the Charging Station within the allotted time, the Mutual shall be authorized to cause the lifting or removal of the Charging Station and charge the actual cost of the same to Shareholders as a special assessment. In no event shall the Mutual be responsible for the costs of lifting, removing, and/or reinstalling the Charging Station, for any damages caused, or for any increase in Shareholders' utilities during times which the Charging Station is inoperable for any reason.
4. Transfer of the Property. Shareholders agree that prior to the sale or transfer of the stock and Property to another, either (i) the Charging Station shall be removed and the Shareholder shall reimburse the Mutual for the cost of the building being put back into its original condition, or (ii) the transferee of the Property shall sign a counterpart addendum to this Agreement whereby the transferee agrees to assume, abide by, and be bound by all of the terms herein as the Shareholders. This Agreement, if recorded, shall run with the land and shall be binding upon all successor purchasers of the Property.
5. Compliance with Electric Vehicle Charging Station Policy. Shareholders agree at all times to comply with and be bound by the Mutual's Rules on Electric Vehicle Charging Stations, a copy of which is attached hereto and incorporated herein by this reference, and which is subject to amendment from time to time.
6. Governing Law. This Agreement shall be governed by and construed in accordance

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with the laws of the State of California.

7. Modifications. This Agreement may not be amended, canceled, revoked, or otherwise modified except by written agreement signed by all of the Parties hereto.
8. Successors in Interest. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective directors, officers, agents, shareholders, partners, members, servants, employees, affiliates, representatives, heirs, executors, executrix, conservators, successors, beneficiaries, and assigns.
9. Further Assurances. The Parties shall timely execute and deliver any and all further documents that may be reasonably necessary to effectuate the provisions of this Agreement, including any documents necessary to allow this Agreement to run with the land. This Agreement may be recorded against the Property in the Mutual's sole discretion.
10. Tax Consequences. Each Party is responsible for their own tax consequences, if any, related to this Agreement.
11. Attorney's Fees. If any act at law or equity, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing Party shall be entitled to recover actual attorneys' fees, which may be determined by the court in the same action or in a separate action brought for that purpose in addition to any other relief to which that Party may be entitled.
12. No Reliance and Advice of Counsel. The Parties have been instructed to and have had the opportunity to have this Agreement reviewed by independent counsel of their own choosing, and by entering into this Agreement neither Party has relied upon the advice of the other Party. Each Party hereto executes this Agreement acting upon its independent judgment and upon the advice of its respective counsel, if applicable, without any representation, express or implied, of any kind or nature, from each to the other, except as only specifically set forth herein.
13. Counterparts. This Agreement may be signed and executed in one or more counterparts, each of which shall be deemed an original and shall be effective when all parties have executed a counterpart. Signatures on this Agreement transmitted by facsimile and/or other electronic means shall have the same force and effect as original signatures.
14. Captions and Interpretations. The paragraph titles, headings or captions are inserted in this Agreement as a matter of convenience. As such, the paragraph titles, headings, or captions are not intended to define, limit, or describe the scope of any provision, and shall not affect the interpretation of any paragraph hereto.
15. Singular, Plural, and Gender Usage. Whenever applicable within this Agreement, the masculine, feminine and/or neutral gender shall be deemed to include the other, and the singular and plural are each deemed to refer to the other.
16. Authority to Enter Agreement. This Agreement is the result of arms-length negotiations. Each signatory to this Agreement represents and warrants to the others that he or she has full authority and is duly and fully authorized to execute this Agreement.

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17. Incorporation of Recitals. Paragraphs A through H, inclusive, of the Recitals hereof are fully incorporated herein and are true and correct. These Recitals are intended and shall be deemed and construed to be a material and integral portion of this Agreement.
18. Entire Agreement. This Agreement constitutes the entire agreement and understanding between the Parties with respect to the subject matter of this Agreement and supersedes and replaces all prior agreements and understandings, whether oral or in writing, and may not be modified or amended except by written instrument signed by all Parties. Intent of the Parties. It is the intent of this Agreement that the Shareholder and each successive Shareholder-owner of the Charging Station shall be responsible for all of the following: (1) costs for damage to the Charging Station, common area, exclusive use common area, or separate interests resulting from the installation, maintenance, repair, removal, or replacement of the Charging Station; (2) costs for the maintenance, repair, and replacement of the Charging Station until it has been removed and for the restoration of the common area after removal; (3) the cost of electricity associated with the Charging Station; (4) disclosing to prospective shareholders the existence of any Charging Station of the Shareholder and the related responsibilities of the Shareholder under this Section 19. The Shareholder-owner of the Charging Station, whether located within a separate unit or within the common area or exclusive use common area, shall, at all times, maintain a liability coverage policy. The Shareholder that submitted the application to install the Charging Station shall provide the Mutual with the corresponding certificate of insurance within 14 days of approval of the application. That Shareholder and each successor shareholder shall provide the Mutual with the certificate of insurance annually thereafter.

**THE UNDERSIGNED EXECUTED THIS AGREEMENT ON THE DATE SHOWN
BELOW.**

SHAREHOLDER(S):

Date NAME

Date NAME

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(Nov 2024)

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Rules and Regulations

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Date

Signed: _____

Print: _____

Title: _____

Document History

Adopted:	17 Dec 19	Amended:	16 Feb 21	Amended:	26 Mar 21
Amended:	15 June 21	Amended:	20 July 21	Amended:	17 Aug 21
Amended:	21 Sept 21	Amended:	16 Nov 21	Amended:	19 Apr 22
Amended:	21 Jun 22	Amended:	20 Sep 22	Amended:	18 Oct 22
Amended:	21 Feb 23	Amended:	21 Mar 23	Amended:	15 Aug 23
Amended:	16 Jan 24	Amended:	15 Oct 24		

Keywords: Mutual Rules and
Fourteen Regulations

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