MUTUAL OPERATIONS

PHYSICAL PROPERTY

Air Conditioning/HVAC Heat Pumps – Mutual One Only

Each shareholder shall be required to follow the procedures set forth below for the installation of all ducted and ductless air conditioning and/or heat pumps (“HVAC Unit”):

1. **Permit Application.** Prior to any modification to or installation of HVAC Units, each shareholder must comply with the permit application process and secure approval as set forth in Mutual Operations Policy 7403.1.

2. **Mutual Policy Requirements.** Each HVAC Unit shall be installed with the following minimum requirements:
   
a. Ducted HVAC Units shall not be installed at apartments B through E and H through K unless the unit’s exterior compressor and interior mechanical-electrical platform does not encroach on the Mutual’s property and/or obstruct clear passage through the Mutual’s attic, and condensers do not exceed the shareholder’s allotted existing flower bed line.

b. In the case of Building 16, ducted HVAC Units may not be installed at apartments B, C, D, E, F, G, H, I, J, or K unless the unit’s compressor and interior mechanical-electrical platform does not encroach on the Mutual’s property and/or the interior catwalk, and condensers do not exceed the shareholder’s allotted existing flower bed line.

c. If the compressor is larger than the existing flower bed line, the shareholder may extend the flowerbed line a maximum of 36 inches from the base of the building. Should the flowerbed line be extended, the shareholder shall be required to move the complete flowerbed line in front of all contiguous apartments on the side of the building that the HVAC Unit is installed. In repositioning the flowerbed line, the shareholder shall also be required to relocate the sprinkler lines and install replacement sod. The shareholder shall bear the complete expense of moving the flowerbed line, sprinkler lines, and replacement sod so as to ensure a uniform and aesthetically pleasing flowerbed line.

d. All flowerbed line changes, including the reconstruction of the flowerbed area, are subject to the discretionary approval of the Board of Directors (the “Board”).

e. Ducted HVAC Units installed at apartments A & L shall be installed at the gable-end flowerbed of the building. No HVAC Units shall be installed in the triangle garden

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areas. Where an A & L apartment is adjacent to the laundry clothesline enclosure, ducted HVAC Units shall be installed within the laundry line enclosure.

f. For ducted HVAC Units installed at apartment end units F & G, the HVAC Unit must be installed at the carport end of the building. All new installations and change outs will require a 3½”-thick concrete mechanical platform or foam-filled fiberglass pad.

g. For all installation of new or replacement HVAC Units, PVC lattice type of screening materials shall be used in a manner to conceal the HVAC Unit. All proposed materials and layout plan to conceal the HVAC Unit must be approved by the Board.

h. The service opening of the HVAC Unit shall be required to face the shareholder's apartment.

j. The HVAC Unit shall be limited to 2.5 ton 13 Seer.

3. Attic Access: Ducted HVAC Units only. Attic access is required from the inside of the shareholder's unit (usually in the kitchen or bathroom) or from the outside (for end apartments only) for servicing and maintaining the HVAC Unit. The attic access shall be a minimum 22” x 30”, and the cover shall be a combination of plywood laminated to a 5/8” type “X” drywall, with the drywall facing the attic side.

4. Placement. Ducted HVAC Units shall be placed in front of the apartment, as close to the center as feasible, and shall be located within the drip line. All new installations and change outs will require a 3½”-thick concrete mechanical platform or foam-filled fiberglass pad.

5. Split Systems. Split ductless HVAC Units shall be required to sit on a poured-in-place concrete mechanical platform that is a minimum 6½” thick that will be either three inches below grade and three and a half inches above grade, or three and a half inches level with the grade, as approved by the Mutual during the permit application process. The fiberglass pad supplied by the manufacturer shall be anchored to the concrete mechanic platform, and shall be used according to manufacturer specifications.

6. Refrigerant Lines. All exposed refrigerant lines on the exterior walls of the building shall be covered by a sheet metal line set cover. All exposed line set cover openings (beginning and end) must be covered with metal bird screen and/or expandable foam so they are not accessible to rodents, vermin or insects. All refrigerant lines and line sets must be installed within the building drip line.

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7. **Condensation Lines.** All condensation lines located in the attic shall be rodent-proofed. Condensation tie-ins at the kitchen sink vent shall be:

a. If using PVC pipe, use 1½” x ¾” PVC tee with 1½” no hub bands with ¼” mesh around pipe;

b. If using copper pipe, use 1½” x ¾” PVC tee with 1½” no hub bands. If the apartment is a remodel, run the condensation line to the washer/dryer hookup or a y-branch tailpiece at the bathroom sink.

8. **Change of Ownership.** When change of ownership occurs, if the HVAC unit is found to be in need of replacement or leveling, the Shareholder shall be required to bring the HVAC Unit in compliance with items 8a and/or 8b of this section. Item 8c shall be required for all change of ownerships. In the event the Mutual incurs any costs to bring said HVAC Unit into compliance, all costs to bring the HVAC Unit in compliance will result in a charge against the seller’s escrow:

a. Existing ducted HVAC Units will require a 3½”-thick concrete mechanical platform or foam-filled fiberglass pad. The site shall be level and compacted. Additionally, per Board approval, a PVC lattice type of blind will be required.

b. Existing ductless HVAC Units not currently on an authorized and code compliant base shall be corrected by complying with Item 5 of this policy.

c. Existing ducted and ductless HVAC Units will be inspected and serviced as needed and condensation drain lines and line set covers will be rodent-proofed.

9. **Applicable Codes.** All ductless and ducted HVAC Units shall be installed in such a way as to ensure compliance with all current state and local building, electrical, and plumbing codes. Both Golden Rain Foundation and City of Seal Beach building permits are required.

10. **Noise Levels.** All new installations shall conform to the current local interior and exterior noise ordinances at the time of installation. The compressor is not to exceed 50 decibels, measured as stated in Seal Beach Municipal Code Section 7.15.035, and the air handler in
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the attic cannot exceed interior noise levels as stated in Seal Beach Municipal Code Section 7.15.020.

If the noise level specified above exceeds either of the two levels, the shareholder shall be responsible for having the unit(s) repaired within 30-days of written notice by the Board to the shareholder. If the HVAC Unit is not repaired by the shareholder within the 30-day written notice period, the HVAC Unit may not be used by the shareholder.

The Mutual may elect after the 30-day notice period to repair the HVAC unit. Should the Mutual elect to repair the HVAC Unit, the shareholder will be billed for all expenses relating to the repair. The shareholder will be required to pay for the HVAC Unit repair costs within 30-days of being invoiced by the Mutual.

11. Wall Heaters. Permits are required for all wall heaters and window/wall AC units. In all construction work or remodels where wall heaters replace the original ceiling heat source, a metal conduit or armored cable shall be used for the last six feet of line running from the breaker panel to the wall heater(s).

12. Maintenance and Repairs. Maintenance and repairs of wall heaters, heat pumps, and HVAC units are the responsibility of the shareholder and subsequent shareholders on stock/ownership changes.

13. Energy-Efficiency. In an effort to make the unit more energy-efficient (to reduce heat loss in the winter months and increase cooling efficiency in the summer months), the Mutual recommends the shareholder replace the ceiling insulation with new R-30 insulation. In addition, in apartments that have more than one skylight, the Mutual recommends the shareholder replace the insulation with new R-13 “batting type” insulation in the shaft(s) of the skylight(s).

MUTUAL ADOPTION

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