



AB3182 AD HOC COMMITTEE

Agenda

Clubhouse Four

Tuesday, January 19, 2021

10:00 a.m.

To view the live AB3182 Ad Hoc Committee meeting:

- Go to www.lwsb.com
- Click on the AB3182 Ad Hoc Meeting Live tab
- The tab will be active at 9:45 am on the day of the meeting
- The live streaming uses YouTube Live and terminates at the close of the meeting

1. Call to Order/Pledge of Allegiance

2. Roll Call/Notice of Quorum

3. Chairs Announcements

- Introduction of Guests and Staff
 - Susan Hopewell, GRF President
 - Randy Ankeny, Executive Director
 - Kathy Thayer, Recreation Assistant Manager
 - Corina Mancilla, Recording Secretary
- Rules of Order
- Chairs Report

4. Shareholder/Member Comments *(Limited to 3 minutes per person)*

5. Approval of Minutes

- Minutes of the Regular Meeting, December 16, 2020 (pp. 1-5)

6. Correspondence (N/A)

7. Staff Reports (N/A)

8. Subcommittee Reports (N/A)

9. Unfinished Business (N/A)

10. New Business

- Renter/Lessee Package (pp. 6-101)

11. Governing Documents

- Adopt
 - 50-1641-4A, Seal Beach Mutual _____, Lease Agreement (pp. 102-103)
- Amend
 - 30-1001-5, Glossary of Terms (pp. 104-108)

- ii. 50-3182-1, Member/Owner (M/O) Renter/Lessee (R/L) – Rules (pp. 109-113)
- iii. 40-3182-2, Member/Owner (M/O) and Renter/Lessee (R/L) Fees, Fines and Deposits (pp. 114-115)
- iv. 70-1480-1, Arts and Crafts Festival (pp. 116-117)
- c. Review
 - i. 50-1641-4, Seal Beach Mutual Seventeen – Lease Agreement (pp. 118-120)

12. Future agenda items

13. President's Comments

14. Next Meeting

TBD

Clubhouse Four

15. Adjournment



AB3182 AD HOC COMMITTEE MINUTES

December 16, 2020

The meeting of the AB3182 Ad Hoc Committee was held on Wednesday, December 16, 2020, and was called to order at 10:00 a.m., by Chair Damoci, in Clubhouse Four, followed by the Pledge of Allegiance.

ROLL CALL

Present: Ms. C. Damoci, Chair
Ms. M. Gerber
Ms. P. Snowden
Ms. S. Hopewell, Ex-Officio

Absent: Ms. K. Rapp
Mr. P. Pratt

Also Present: Mr. R. Ankeny, Executive Director
Ms. C. Mancilla, Recording Secretary
Mrs. L. Perrotti, GRF Representative, Mutual One
Mr. W. Thompson, GRF Representative, Mutual Five
Mr. L. Melody, GRF Representative, Mutual Fourteen
Mr. R. Collazo, GRF Representative, Mutual Sixteen
Mr. N. Massetti, GRF Representative, Mutual Seventeen
Seven Shareholders/Members

Chair Damoci greeted and welcomed everyone to the AB3182 Ad hoc Committee meeting and introduced Foundation members, guests and staff.

CHAIR'S ANNOUNCEMENTS

Chair Damoci welcomed the Committee members, guests and staff, including GRF President Susan Hopewell; Executive Director Randy Ankeny and Recording Secretary Corina Mancilla.

Mrs. Damoci MOTIONED, seconded by Ms. Gerber unanimously by the Committee members present—

TO add to today's agenda, governing documents: 50-3182-4, Decal and ID Card for Member/Owner (M/O) – Mutuals 1-12 and 14-17 Form and 50-3182-4A, Decal and ID Card for Renter/Lessee (R/L) – Mutuals 1-12 and 14-17 Form, to make changes.

After further discussion, Mrs. Damoci MOTIONED, seconded by Ms. Snowden (via Zoom.com) unanimously by the Committee members present—

TO amend 50-3182-4, Decal and ID Card for Member/Owner (M/O) – Mutuals 1-12 and 14-17 Form and 50-3182-4A, Decal and ID Card for Renter/Lessee (R/L) – Mutuals 1-12 and 14-17 Form, changing the Mutuals included in the document to 2-12 and 14-17, on both forms.

SHAREHOLDER COMMENTS

Four Shareholders/Members spoke at the time of the meeting.

APPROVAL OF MINUTES

The minutes of the December 9, 2020, regular meeting were approved, as presented.

CORRESPONDENCE

There was one correspondence at the time of the meeting.

STAFF REPORTS (N/A)

SUB COMMITTEE REPORTS (N/A)

UNFINISHED BUSINESS (N/A)

NEW BUSINESS

The Committee concurred to review at a work study meeting, the following governing documents:

- Renter/Lessee package
- Draft Letters to:
 - Mutual Seventeen to Renters and Members/Owners
 - Real Estate Offices

Leases – Handout

The Committee discussed this agenda item; no action was taken.

GOVERNING DOCUMENTS

Adopt 50-1640-4A, Renters/Lessees Emergency Contact Form

After a brief discussion, Ms. Gerber MOTIONED, seconded by Mrs. Damoci unanimously by the Committee members present–

TO recommend the GRF BOD adopt 50-1640-4A, Renters/Lessees Emergency Contact Form, as presented.

Adopt 50-1641-4A, Seal Beach Mutual ____, Lease Agreement – Handout

After a brief discussion, Mrs. Damoci MOTIONED, seconded by Ms. Gerber unanimously by the Committee members present–

TO recommend the GRF BOD adopt 50-1641-4A, Seal Beach Mutual ____, Lease Agreement, as presented.

Amend 50-1630-4A, Notice of Disclosures – In Membership Transfers

After a brief discussion, Mrs. Damoci MOTIONED, seconded by Ms. Gerber unanimously by the Committee members present–

TO recommend the GRF BOD Amend 50-1630-4, Notice of Disclosures – In Membership Transfers, as amended.

Amend 50-1641-4, Seal Beach Mutual Seventeen – Lease Agreement – Handout

After a brief discussion, Ms. Snowden (via Zoom.com) MOTIONED, seconded by Mrs. Damoci unanimously by the Committee members present–

TO recommend the GRF BOD Amend 50-1641-4, Seal Beach Mutual Seventeen – Lease Agreement, as presented.

FUTURE AGENDA ITEMS

The Committee concurred not to add as future agenda items at the time of the meeting.

PRESIDENT’S COMMENTS

President Hopewell provided information and updates throughout the meeting.

ADJOURNMENT

Chair Damoci adjourned the meeting at 11:09 a.m.

Carole Damoci, Chair
AB3182 AD HOC COMMITTEE

cm 12.16.20

MUTUAL

09

RENTER/LESSEE

PACKAGE

2021

Checklist

1. GRF 50-1640-4B Member/Owner (M/O) & GRF 50-1640-4C Renter Lessee (R/L) Checklist
2. 50-1641-4A Lease Information
3. 09-Occupancy Agreement-1
4. 09-Addendum to Occupancy Agreement-1
5. GRF 30-5093-1 Member Rules of Conduct
6. 09-7560-1 Operations Leasing Rules & Regulations
7. GRF 50-3182-1 Member/Owner & Renter/Lessee Rules
8. GRF 40-3182-2 Member/Owner & Renter Lessee Fines, Fees and Deposit
9. 09-7585-1 Governing Document Compliance Corrective Measures & Monetary Penalties
10. GRF 50-1630-4 and 50-1630-4A Notice of Disclosure
11. GRF 50-1640-4A Renter/Lessee Emergency Contact
12. GRF 50-3182-4 Decal & ID Card – Member/Owner Form
13. GRF 50-3182-4A Decal & ID Card – Renter/Lessee Form
14. GRF 50-1201-1 Identification Cards
15. GRF 40-1201-2 Identification Cards - Fees



Member/Owner (M/O)

Mutual: _____ Unit: _____

Member/ Owner: _____ Member/ Owner: _____

Receipt Number _____ STO Associate Name: _____

M/O's in all Mutuals must do the following before the rental can be completed:

\$500 Stock Transfer Office (STO) Rental Processing fee.

GRF ID CARDS Total Collected: _____
No. GRF IDs X \$500= \$ _____

Security Department Decal Form
No. Vehicle Decal X \$100= \$ _____

Entry Guest Passes (4) Total Collected: _____
No. Entry Passes X \$100= \$ _____

Caregiver Passes (if applicable) Total Collected: _____
No. Caregiver Passes X \$100= \$ _____

GRF TRUST PROPERTY USE FEE (TPUF)

- NO FINANCING PERMITTED
- Any TPUF refund will be prorated over (5) year period based on lease date.
- If R/L moves out before (5) years is up, the excess will be refunded within (60) days after R/L moves out of the Community.
- No partial years will be refunded.
- If R/L moves to another rented/ leased Residential unit within (30) days, the TPUF will be transferred to the new Residential unit.
- If R/L purchases a Residential unit in LW within (30) days after their lease expires, the TRUF will be transferred to the purchased Residential unit.



Renter Lessee (RL)

Mutual: _____ Unit: _____

Renter: _____ Renter: _____

Receipt Number _____ STO Associate Name _____

R/L in all Mutuals must do the following before the rental can be completed:

- Does the renter meet the age-qualifications for residing in the Community?
Yes___ No___
- Does the Mutual Board allow pets in the Mutual?
Yes___ No___
- Are you aware that you are not eligible to receive guest passes?
Yes___ No___

FEES COLLECTED

- **GRF Trust Property Use Fee (TPUF)** Occupant(s) X \$4,127= \$_____
- **Pet Registration** (if applicable) Animal(s) X \$100= \$_____ Annual non-refundable fee per animal (includes service animals).
- **GRF ID CARDS (deposit)**
 - Total GRF IDS X \$500= \$_____
- **Security Department Decal Form (deposit)**
 - Total Vehicle Decal X \$100= \$_____
- **Caregiver Passes (deposit)**
 - Total Caregiver Passes X \$100= \$_____

GRF TRUST PROPERTY USE FEE (TPUF)

- NO FINANCING PERMITTED
- Any TPUF refund will be prorated over (5) year period based on lease date.
- If R/L moves out before (5) years is up, the excess will be refunded within (60) days after R/L moves out of the Community.
- No partial years will be refunded.
- If R/L moves to another rented/ leased Residential unit within (30) days, the TPUF will be transferred to the new Residential unit.
- If R/L purchases a Residential unit in LW within (30) days after their lease expires, the TRUF will be transferred to the purchased Residential unit.

Seal Beach Mutual 09

Lease Agreement – 2021

Mutual: 09 Unit #: _____

Current Homeowner's or Legal Representative's* Information

Name:	
Current Address:	
Telephone #	()
Cell Phone #	()
Lessor above is:	Check box that applies: Current Homeowner <input type="checkbox"/> Successor Trustee <input type="checkbox"/> Power of Attorney <input type="checkbox"/> Court Ordered Executor <input type="checkbox"/>

*** = If you are legally representing a Mutual Nine homeowner, please provide the Stock Transfer Office a copy of your legal document(s) giving you legal authority.**

#1 Renter/Lessee's Information

Name:	
Telephone #	()
Cell Phone #	()

#2 Renter/Lessee's Information

Name:	
Telephone #	()
Cell Phone #	()

Renter's/Lessee's Emergency Contact

Name:	Relationship:
Telephone Number: ()	
Cell Phone Number: ()	

Renter's/Lessee's Emergency Contact

Name:	Relationship:
Telephone Number: ()	
Cell Phone Number: ()	

Terms of Agreement – Mutual 09 Policy 09-7560-1 Leasing Regulations

1. LESSEE must be at least 55 years of age. CO-LESSEE age 45 or older may occupy unit with qualifying LESSEE upon approval.
 2. LESSEE(S) must enter into a lease agreement of not less than 30 days.
 3. LESSEE(S) understands that the Photo-ID Card allows them the use and enjoyment of GRF facilities.
 4. LESSEE(S) shall provide a fully executed ORIGINAL copy of this lease agreement to the Stock Transfer Office.
 5. No more than two (2) people may lease/occupy the unit.
 6. Mutual legal fees, costs to initiate addendum to the Occupancy Agreement, and any other additional costs to initiate the Landlord-Tenant process, including any Mutual Fees.
- (<http://www.lwsbmual09.com/policies/>)

Lessee Annual Fee – GRF Policy

1. See Policy 40-3182-2 for Fee amount.
2. See Policy 50-3182-1 for GRF Rules.

Indemnification

FOUNDATION MEMBER or LEGAL REPRESENTATIVE and LESSEE(S) hereby agree to abide by all of the rules, regulations and policies promulgated by the Mutual **Nine** Corporation, as well as the conditions set forth in the Bylaws and **CC and R's** of Mutual **Nine** Corporation; and shall hold harmless and indemnify the Golden Rain Foundation and the Mutual **Nine** Corporation and their representatives and employees for any damages caused by the LESSEE(S). Failure to comply shall be grounds for revocation of the right to lease and the cancellation of this Lease Agreement. I, (We) Foundation Members and LESSEE(S) for the above unit hereby understand and agree to abide by the terms of this Lease agreement with Mutual **Nine** Corporation and the Golden Rain Foundation.

Executing Signatures

Homeowner's Signature:	Date:
Homeowner's Signature:	Date:
Lessee's Signature:	Date:
Lessee's Signature:	Date:

Mutual 09 Board Approval
 Approved Disapproved

Received by GRF Board :

By: _____

By: _____

Date: _____

Date: _____

SEAL BEACH MUTUAL NO. NINE

Occupancy Agreement

OCCUPANCY AGREEMENT

OF

SEAL BEACH MUTUAL NO. NINE

SEAL BEACH MUTUAL NO. NINE

Occupancy Agreement

OCCUPANCY AGREEMENT OF SEAL BEACH MUTUAL NO. NINE

Table of Contents

RECITALS 6

ARTICLE I..... 7

 Section 1.1 – Incorporation of Recitals. 7

 Section 1.2 – Capitalized Terms..... 7

ARTICLE II..... 7

CONDITIONS OF POSSESSION 7

 Section 2.1 – Breach of Conditions. 7

 Section 2.2 – Governing Documents. 7

 Section 2.3 – Unlawful Detainer Action. 7

 Section 2.4 – Trustee has no right to possession of the Unit..... 7

ARTICLE III..... 8

RIGHT TO POSSESSION..... 8

 Section 3.1 – Term. 8

 Section 3.2 – Common Area..... 8

 Section 3.3 – Occupancy Termination..... 8

 Section 3.4 – Transfer of Share Ownership..... 8

MEMBERSHIP IN THE GOLDEN RAIN FOUNDATION 8

 Section 4.1 – Membership in the Golden Rain Foundation. 8

ARTICLE V 9

ASSESSMENTS 9

 Section 5.1 – Payment of Regular Assessments..... 9

 Section 5.2 – Covenant to Pay Regular, Special and Reimbursement Assessments.9

 Section 5.3 – Qualifying Resident Payment..... 9

 Section 5.4 – Rate of Regular Assessments. 10

 Section 5.5 – Notice of Assessment Increases..... 11

 Section 5.6 – Delinquent Assessments. 11

SEAL BEACH MUTUAL NO. NINE

Occupancy Agreement

Section 5.7 – Failure to pay Assessments..... 11

Section 5.8 – NSF payments..... 12

Section 5.9 – Patronage Refunds..... 12

ARTICLE VI 12

PAYMENT OF UTILITIES 12

Section 6.1 – Utilities..... 12

ARTICLE VII 12

COMPLIANCE WITH MUTUAL GOVERNING DOCUMENTS 12

Section 7.1 – Comply with Mutual Governing Documents..... 12

Section 7.2 – Hierarchy of Governing Documents..... 13

ARTICLE VIII 13

USE OF UNIT 13

Section 8.1 – Principal Residence..... 13

Section 8.2 – Nuisance..... 14

Section 8.3 – Residential Purposes Only. 14

ARTICLE IX 15

INSURANCE HAZARDS 15

Section 9.1 – Responsibility for Hazards..... 15

ARTICLE X 15

ALTERATIONS TO UNIT 15

Section 10.1 – Alterations Require Consent..... 15

Section 10.2 – Restoration costs..... 16

Section 10.3 – Governmental compliance of alterations..... 16

Section 10.4 – No compensation for alterations..... 17

Section 10.5 – Compliance with alteration procedures..... 17

ARTICLE XI 18

INTERIOR MAINTENANCE AND REPAIR OF UNIT 18

Section 11.1 – Repairs by Qualifying Resident..... 18

SEAL BEACH MUTUAL NO. NINE

Occupancy Agreement

Section 11.2 – Repairs by Mutual..... 18

Section 11.3 – Damage caused by leakage. 18

Section 11.4 – Liability for damage..... 19

Section 11.5 – Repairs as required. 19

Section 11.6 – Report defects. 19

Section 11.7 – Repairs on vacating. 19

Section 11.8 – Inspection on withdrawal or termination..... 20

Section 11.9 – Cost of repairs and cleaning. 20

Section 11.10 – Cost of Relocation. 20

ARTICLE XII 20

QUALIFYING RESIDENT REQUIRED TO OBTAIN INSURANCE 20

Section 12.1 – Qualifying Resident Insurance..... 20

Section 12.2 – Qualifying Resident may not claim under the Mutual’s insurance policy.
21

ARTICLE XIII 21

LIENS..... 21

Section 13.1 – Qualifying Resident not to permit Mechanics’ Liens. 21

Section 13.2 – Mutual may pay Mechanics’ Lien..... 21

ASSIGNMENT AND SUBLETTING/FAILURE TO RESIDE 21

Section 14.1 – Subletting and Assignment. 21

Section 14.2 – Failure to Reside..... 22

ARTICLE XV 22

TERMINATION OF SHARE OWNERSHIP AND AGREEMENT 22

Section 15.1 – Right of Occupancy. 22

Section 15.2 – Material Conditions. 22

Section 15.3 – Termination on Abandonment..... 22

ARTICLE XVI..... 23

WITHDRAWAL FROM SHARE OWNERSHIP 23

Section 16.1 - Withdrawal from Share Ownership. 23

SEAL BEACH MUTUAL NO. NINE

Occupancy Agreement

Section 16.2 – Stock Redemption. 23

ARTICLE XVII..... 23

RIGHTS AND REMEDIES/WAIVERS..... 23

Section 17.1 – Cumulative Rights..... 23

Section 17.2 – Failure to pursue Remedies..... 23

Section 17.3 – Non-waiver of remedies..... 23

Section 17.4 – Waiver to be in writing. 24

ARTICLE XVIII..... 24

DEFAULT BY QUALIFYING RESIDENT AND EFFECT THEREOF..... 24

Section 18.1 – Definition of Default by Qualifying Resident..... 24

Section 18.2 – Effect of Default. 25

Section 18.3 – Landlord- Tenant Relationship..... 25

Section 18.4 – Qualifying Resident Waiver..... 25

Section 18.5 – Mutual Remedies..... 25

ARTICLE XIX..... 26

RIGHT TO ENTER/INSPECTION OF UNIT 26

Section 19.1 – Entry For Emergency..... 26

Section 19.2 – Costs of Emergency Entry. 26

Section 19.3 – Entry for Non-Emergency. 26

Section 19.4 – Definition of “reasonable purpose”..... 26

Section 19.5 – Time of Entry. 27

Section 19.6 – No Refusal to Enter Unit. 27

ARTICLE XX..... 27

SERVING NOTICES 27

Section 20.1 – Service of Notice By The Mutual or By The Qualifying Resident. 27

ARTICLE XXI..... 27

LIMITATION OF LIABILITY..... 27

Section 21.1 – Liability Limited. 27

SEAL BEACH MUTUAL NO. NINE

Occupancy Agreement
ARTICLE XXII..... 28

MISCELLANEOUS PROVISIONS 28

 Section 22.1 – Amendments to the Agreement. 28

 Section 22.2 – Oral Representation Not Binding. 28

 Section 22.3 – Rules of Interpretation. 28

 Section 22.4 – Successors and Assigns..... 29

 Section 22.5 – Enforceability. 29

 Section 22.6 – Attorney’s Fees and Costs..... 29

SEAL BEACH MUTUAL NO. NINE

Occupancy Agreement

**OCCUPANCY AGREEMENT OF
SEAL BEACH MUTUAL NO. NINE**

RECITALS

This OCCUPANCY AGREEMENT ("Agreement"), made and entered into this
_____, 20____ by and between SEAL BEACH MUTUAL NO. NINE ("Mutual"), a California
corporation having its principal office and place of business in Orange County, California
and

_____, ("Qualifying Resident");

- A. WHEREAS, the Mutual has been formed under the Corporations Code as a corporation for the purposes of acquiring, owning and operating a cooperative residential housing project to be located at Leisure World Seal Beach ("Leisure World"), Seal Beach, Orange County, California, with the intent that its stockholders ("Shareholders"), who meet the financial requirements and other eligibility requirements as may be established from time to time by the Mutual, shall have the right to occupy the dwelling units thereof under the terms and conditions hereinafter set forth and subject to the limitations set forth in the Governing Documents and imposed by California Civil Code § 51.3;
- B. WHEREAS, the Qualifying Resident is the owner and holder of one share of common capital stock, Series _____ of the Mutual and has a bona fide intention to reside in the Community ("Stock" or "Share");
- C. WHEREAS, the Bylaws of the Mutual dated _____, as amended from time to time ("Bylaws"), and Governing Documents (as defined herein) govern the Mutual.

NOW, THEREFORE, in consideration of the mutual promises set out in this Agreement, the Mutual hereby leases to the Qualifying Resident, and the Qualifying Resident rents and takes from the Mutual, dwelling unit number _____
(APN: _____)("Unit"), located within Leisure World.

The Qualifying Resident shall occupy the Unit on the terms and conditions set forth herein, and the Governing Documents of the Mutual now or hereafter adopted pursuant thereto, from the date of this Agreement for a term terminating on _____ ("Term"), automatically renewable thereafter for successive three-year periods under the conditions provided for herein unless earlier terminated pursuant to the provisions set forth in this Agreement or in the Governing Documents.

SEAL BEACH MUTUAL NO. NINE

Occupancy Agreement

ARTICLE I

INCORPORATION OF RECITALS/CAPITALIZED TERMS

Section 1.1 – Incorporation of Recitals.

The above recitals are incorporated herein and made a part hereof by this reference.

Section 1.2 – Capitalized Terms.

Capitalized terms used herein which are undefined in this Agreement, shall have the same definition as set forth in the Bylaws.

ARTICLE II

CONDITIONS OF POSSESSION

Section 2.1 – Breach of Conditions.

This Agreement and the Term hereby created shall be subject to the conditions herein set forth, and shall come to an end upon (i) termination of this Agreement; and/or (ii) termination of Share Ownership.

Section 2.2 – Governing Documents.

The Term of this Agreement and possession of the Unit by the Qualifying Resident is subject to:

- (a) the terms and conditions set out in the Articles of Incorporation, Bylaws, Rules and Regulations, Policies and Resolutions of the Board of the Mutual as amended from time to time (“Governing Documents”);
- (b) relevant and applicable zoning, health, or other laws of the municipal, state, and/or federal governments; and
- (c) the terms and conditions of this Agreement, and other agreements between the Mutual and any municipal, state and/or federal governments.

Section 2.3 – Unlawful Detainer Action.

If an order of unlawful detainer is made by any court of competent jurisdiction, giving the Mutual the right to regain possession of the Unit from the Qualifying Resident, this Agreement shall thereupon immediately cease and be void.

Section 2.4 – Trustee has no right to possession of the Unit.

No trustee or receiver of the Qualifying Resident or the Qualifying Resident’s Stock or person claiming any interest in the Stock pursuant to any operation of law, agents, assigns, heirs, attorneys, devisees, successors, bankruptcy assignment, pledge or security, is entitled to any right to or possession of the Unit other than that Qualifying Resident that is entitled to reside in the Unit pursuant to the terms of this Agreement.

SEAL BEACH MUTUAL NO. NINE

Occupancy Agreement

**ARTICLE III
RIGHT TO POSSESSION**

Section 3.1 – Term.

In return for the Qualifying Resident’s continued fulfillment of the terms and conditions of this Agreement and the Governing Documents, the Mutual grants to the Qualifying Resident possession of the Unit for the Term:

- (a) commencing with the date on which occupancy of the Unit is granted by the Mutual to the Qualifying Resident;
- (b) ending with the earliest of the withdrawal from, termination or cessation of Share Ownership of the Qualifying Resident or the death of the Qualifying Resident; and
- (c) subject always to earlier termination as herein provided.

Section 3.2 – Common Area.

The Mutual hereby grants to the Qualifying Resident, during the Term, and any extension thereof, in common with the other Qualifying Residents of the Mutual, the non-exclusive use for their proper purpose, of the entrance, passageways, roadways, sidewalks, common grounds and other Common Areas of the Community.

Section 3.3 – Occupancy Termination.

Subject to California Civil Code § 51.3, if the Qualifying Resident shall cease to be entitled to occupy the Unit, the right of all persons in the Qualifying Resident's household, whether or not Shareholders of the Mutual (unless such Shareholder is also a Qualifying Resident who executed this Agreement), and all other persons occupying or visiting the Unit, to continue to occupy or use the Unit, shall come to an end at the same time and without further notice being required.

Section 3.4 – Transfer of Share Ownership.

Neither this Agreement nor the Qualifying Resident’s right of occupancy shall be transferable or assignable except in the same manner as may now or hereafter be provided for the transfer of Share Ownership in the Bylaws of the Mutual.

**ARTICLE IV
MEMBERSHIP IN THE GOLDEN RAIN FOUNDATION**

Section 4.1 – Membership in the Golden Rain Foundation.

The Qualifying Resident shall become a resident member of the Golden Rain Foundation (“GRF”), a California non-profit corporation, and shall pay an amenities fee (“GRF Amenities Fee”) and such dues and assessments as are from time to time fixed and determined by its board of directors (“GRF Assessments”). A copy of the current schedule of the GRF Amenities Fee and GRF Assessments has been furnished to the Qualifying Resident. Such GRF Amenities Fee and GRF Assessments shall be in addition to the monthly Regular Assessments and Mutual Assessments specified in Article 5 of this

SEAL BEACH MUTUAL NO. NINE**Occupancy Agreement**

Agreement and in the Governing Documents. The GRF holds in trust, operates and maintains the Community facilities, streets and certain other off-site improvements and amenities within Leisure World for the benefit of the Qualifying Residents of the Mutual and other corporations owning and operating cooperative housing projects and condominiums located at Leisure World (“Mutuals”), and in connection therewith, provides certain services, including but not limited to, administrative and recreational services.

The extent and nature of the facilities and services provided by the GRF, the charges therefore and the persons to whom the same should be made available shall be as determined from time to time pursuant to agreement among the Mutual, the GRF and the Mutuals.

ARTICLE V
ASSESSMENTS

Section 5.1 – Payment of Regular Assessments.

The Qualifying Resident agrees to pay to the Mutual, in full each month, a monthly sum in an amount established by the Board of Directors and referred to herein as “Regular Assessments”, commencing on the first day of the month of execution of this Agreement, and continuing on the first of every month of each and every month thereafter. Should the Qualifying Resident execute this Agreement on any day after the first day of the month, the Qualifying Resident shall make a prorated payment for Regular Assessments covering the unexpired balance of the month.

Section 5.2 – Covenant to Pay Regular, Special and Reimbursement Assessments.

The Qualifying Resident shall pay to the Mutual all Regular Assessments and other charges established and levied by the Mutual pursuant to the Governing Documents, including but not limited to, any and all Special Assessments and Reimbursement Assessments levied against the Qualifying Resident and/or Unit. Regular Assessments, Special Assessments and Reimbursement Assessments are collectively referred to herein as “Mutual Assessment(s)”. Assessments and any late charges, including reasonable attorney’s fees, and other fees and costs of collection, if any, and interest, if any, assessed in accordance with the provisions of the Governing Documents shall be a debt of the Qualifying Resident of the Unit at the time the Assessment or other sums are levied. No Qualifying Resident may waive or otherwise escape liability for Assessments by nonuse of the Common Area and/or abandonment of the Qualifying Resident’s Unit.

Section 5.3 – Qualifying Resident Payment.

The Qualifying Resident shall pay to the Mutual all Mutual Assessments and GRF Assessments (collectively referred to herein as “Assessment(s)”) in full upon notice of such Assessment. Assessments will be considered delinquent if not paid by or before the fifteenth (15th) day after which the Assessment becomes due. Any Assessment payment made by the Qualifying Resident shall first be applied to the Assessments owed, and only after the Assessments owed are paid in full, shall the payments be applied to the fees and costs of collection, attorney’s fees, late charges, and/or interest. Notwithstanding the

SEAL BEACH MUTUAL NO. NINE**Occupancy Agreement**

foregoing, unless otherwise limited by law, the terms of a payment plan entered into between the Qualifying Resident and the Mutual may provide for a different application of payments. The Qualifying Resident shall pay to the Mutual all Assessments and any other amounts due to the Mutual under this Agreement and the Governing Documents of the Mutual at the office of the Mutual; or at such other place as the Mutual may from time to time designate in writing, and in the form and manner determined by the Board of Directors of the Mutual with no right of set-off or abatement under any circumstances.

Section 5.4 – Rate of Regular Assessments.

The Board of Directors shall set the rate of the Regular Assessments payable hereunder. Such rate shall be estimated on an annual basis and divided by the number of months remaining in the then current fiscal year. Such monthly sum shall be equal to the Qualifying Resident's proportionate share of the sum required by the Mutual, as estimated by its Board of Directors, to meet its annual expenses; but in no event shall the Qualifying Resident be charged with more than the Qualifying Resident's proportionate share thereof as determined by the Board of Directors. In estimating the monthly Regular Assessments payable hereunder, the Board of Directors shall take into account the amount of money which, in the sole discretion of the Board of Directors, shall be required by the Mutual during each fiscal year for:

- (a) the cost of all operating expenses of the Community and services furnished, including charges by the GRF, for facilities and services furnished by the GRF, in addition to any and all other charges required pursuant to the Agreement;
- (b) the maintenance of the corporate existence of the Mutual;
- (c) the amount of all assessments levied against the Community and the Mutual, including taxes, and the sums in lieu of taxes, which the Mutual and/or the GRF is required to pay. In the event the taxing authority levies a separate assessment as to the assessed value of each dwelling unit, the proportionate share of taxes to be paid with regard to each dwelling unit shall be determined by the ratio of the assessed value of the dwelling unit to the total assessed value of all dwelling units of the Mutual, and the Qualifying Resident agrees to and shall pay the amount of said taxes determined by the taxing authority for the Qualifying Resident's Unit, which shall be included in the Qualifying Resident's Assessments hereinabove referred to, in said amount as separately determined for said Unit;
- (d) the estimated cost of repairs, maintenance and replacement of Mutual property to be made by the Mutual;
- (e) the cost of necessary management, administration and professional services;
- (f) the amount of fire and extended insurance on the Community and such other insurance as the Mutual may effect;
- (g) the Mutual's cost of furnishing water, garbage and trash collection, sewage disposal, other government mandated responsibilities, and other utilities to the extent furnished by the Mutual;
- (h) the amount of all taxes and licenses, assessments, insurance, repairs, replacements, upkeep, maintenance, security and operations;

SEAL BEACH MUTUAL NO. NINE**Occupancy Agreement**

- (i) any and all other charges related to the Qualifying Resident's occupancy of the Unit including, but not limited to, repair orders, cable service and any other fees and charges unrelated to the Mutual's Regular Assessment, not paid for by the Qualifying Resident at the time it becomes due;
- (j) adequate contributions to a capital replacement reserve fund and to any other reserve funds, including but not limited to, general operating reserve, contingency reserve and the reserve for repair or replacement of Mutual property, established by the Mutual;
- (k) all other fees, costs and expenses incurred in the management of the Mutual and the Community;
- (l) the amount, if any, as may be required to meet any deficit in the preceding fiscal year; and
- (m) any other amounts required to accomplish the purposes for which the Mutual was incorporated.

Notwithstanding the foregoing, if the Mutual is bound by statute or contract to set or maintain the monthly Regular Assessments at a specified level or amount, the Board of Directors, not the Shareholders, shall set the monthly Regular Assessments payable hereunder by taking those obligations at law or contract into consideration.

Section 5.5 – Notice of Assessment Increases.

The Mutual shall provide Notice to the Qualifying Resident of any increase in any Assessment of the Mutual or GRF, not less than thirty (30) nor more than sixty (60) days prior to the increased Assessment becoming due.

Section 5.6 – Delinquent Assessments.

- (a) Assessments, including but not limited to, Mutual Assessments and GRF Assessments levied pursuant to the Governing Documents shall be delinquent fifteen (15) days after they become due.
- (b) If Assessments are delinquent, the Mutual may recover all of the following:
 - (i) reasonable costs incurred in collecting the delinquent Assessments, including reasonable attorney's fees;
 - (ii) a late charge not exceeding ten percent (10%) of the delinquent Assessments or ten dollars (\$10.00), whichever is greater; and
 - (iii) interest on all sums imposed in accordance with this Article 5, including the delinquent Assessments, reasonable fees and costs of collection, at an annual interest rate not to exceed twelve percent (12%), commencing thirty (30) days after the Assessments become due.

Section 5.7 – Failure to pay Assessments.

Failure of the Qualifying Resident to pay Assessments, any additional or supplemental charge or any other amounts owing to the Mutual in accordance with this Agreement and

SEAL BEACH MUTUAL NO. NINE**Occupancy Agreement**

the Governing Documents of the Mutual shall be cause for termination of this Agreement and the Share Ownership.

Section 5.8 – NSF payments.

If the Qualifying Resident's payment for Assessments is not honored by the Qualifying Resident's banking institution, the Qualifying Resident will be deemed to have failed to make payment of Assessments as required hereunder and such non-payment may be considered a default of this Agreement; and such default may be cause for termination of Share Ownership under this Agreement. In addition, the Qualifying Resident shall be liable for bank charges incurred in the processing of dishonored payments and any penalties or fines set by the Board of Directors.

Section 5.9 – Patronage Refunds.

The Mutual may refund or credit the Qualifying Resident within ninety (90) days after the end of each fiscal year, the Qualifying Resident's proportionate share of such sums collected in anticipation of expenses which are in excess of the amount needed for expenses of all kinds, including but not limited to reserves, in the discretion of the Board of Directors.

ARTICLE VI**PAYMENT OF UTILITIES****Section 6.1 – Utilities.**

- (a) The Mutual shall provide water, garbage and trash collection, sewage disposal and other government mandated services for exterior use. The cost of these services shall be included in the Assessments as set forth in this Agreement.
- (b) The Qualifying Resident shall be responsible for and pay, all applicable electrical, telephone and any utility, cable, or similar charges or accounts. If the Qualifying Resident fails to pay the same, the Mutual may pay the same or any part thereof on behalf of the Qualifying Resident, and the amount so paid shall be due and payable by the Qualifying Resident, as an Assessment, to the Mutual, immediately upon written notice to the Qualifying Resident.

ARTICLE VII**COMPLIANCE WITH MUTUAL GOVERNING DOCUMENTS****Section 7.1 – Comply with Mutual Governing Documents.**

The Qualifying Resident shall preserve and promote the cooperative ownership principles on which the Mutual has been founded, act in cooperation with other Shareholders and Qualifying Residents to maintain a high standard in home and community conditions and comply with and cause the Qualifying Resident's Co-Occupants, family, visitors, guests, invitees, employees and any other person occupying or visiting the Unit to comply with all the terms, conditions and provisions of this Agreement, the terms and conditions as set out in the Governing Documents of the Mutual, as amended from time to time, and all

SEAL BEACH MUTUAL NO. NINE**Occupancy Agreement**

changes and additions to this Agreement, to the same extent as if they were herein incorporated.

Section 7.2 – Hierarchy of Governing Documents.

If there is a conflict or inconsistency between the Governing Documents, the hierarchy of authority is as follows: (1) Law, unless the particular statute defers to the Governing Documents; (2) Articles of Incorporation; (3) Bylaws; (4) this Agreement; (5) Rules and Regulations, Policies and Resolutions of the Board.

**ARTICLE VIII
USE OF UNIT**

Section 8.1 – Principal Residence.

The Qualifying Resident shall use the Unit and all parts thereof only as the Qualifying Resident's principal residence. The number of persons residing in the Unit, as a principal residence, at any time shall be two (2) persons if the Unit has one (1) bedroom or three (3) persons if the Unit has two (2) bedrooms, and must be the Qualifying Resident and any other person who is eligible to reside with the Qualifying Resident pursuant to the Governing Documents. The number of visitors, guests/persons residing in the Unit at any time must comply with all State, local, and County codes, regulations, and ordinances regarding the occupancy of residential dwellings, and may not exceed any occupancy limits established under such codes, regulations, or ordinances. The Qualifying Resident shall not, and shall not permit any other person to use or conduct from the Unit any active or daily trade, business or profession, except a Unit may be used for home office use, so long as such home office use is incidental to the residential use of the Unit. In addition to any restrictions set forth in the Governing Documents, the use of any portion of a Unit as a home office shall comply with the following provisions:

- (a) the home office use is not apparent or detectable by sight, sound, or smell from outside of the Unit;
- (b) the home office use complies with applicable laws and zoning ordinances;
- (c) no employees, clients, customers, patrons, messengers, or delivery personnel regularly visit the Unit or any portion of the Community in relation to the home office use;
- (d) the home office use does not increase the liability or casualty insurance obligations or premiums of the Mutual;
- (e) the home office use is consistent with the residential character of the Community and conforms with the provisions of the Governing Documents;
- (f) there shall be no direct sales of products or merchandise;
- (g) there shall be no displays, inordinate amount of delivery of mail or merchandise;
- (h) there shall be no advertising which identifies the home office by street address;
- (i) Pedestrian and vehicular traffic will be limited to that normally associated with residential districts;

SEAL BEACH MUTUAL NO. NINE**Occupancy Agreement**

- (j) the home office shall not involve the use of commercial vehicles for the delivery of materials to or from the Unit beyond those commercial vehicles normally associated with residential uses;
- (k) there shall be no outdoor storage of materials or equipment, nor shall merchandise be visible from outside the Unit;
- (l) the home office shall be confined within the Unit;
- (m) the appearance of the structure shall not be altered nor the occupation within the Unit be conducted in a manner which would cause the Unit to differ from its residential character either by the use of colors, materials, construction, lighting, signs, or the emissions of sounds, noises and vibrations;
- (n) no use shall create or cause noise, dust, vibration, odor, smoke, glare, or electrical interference or other hazards or nuisances; and
- (o) activities conducted and equipment or material used shall not change the fire safety or occupancy classifications of the Unit.

Section 8.2 – Nuisance.

The Qualifying Resident shall not and shall not permit any person residing in, occupying or visiting the Unit to maintain any item within the Community or use the Unit in any way or engage in conduct which:

- (a) interferes with or disturbs other Qualifying Residents and/or Shareholders' quiet or peaceful enjoyment of the Community;
- (b) unreasonably annoys or interferes in the operation and management of the Mutual by unreasonably annoying, harassing or interfering with any Officer or Director of the Board of Directors;
- (c) unreasonably annoys or interferes with the quiet use and enjoyment of other Qualifying Residents and/or Shareholders of the Mutual by sound, noise, fumes and/or odors, pets and/or animals, pests, behavior, secondhand smoke or vapor, conduct or other activity;
- (d) obstructs or interferes with the rights of other persons;
- (e) obstructs the roads, sidewalks or areas within the Common Area of the Community;
- (f) injures the reputation of the Mutual;
- (g) annoys, harasses or interferes with any visitor, guest, invitee, vendor, management, contractor, and/or similar contracted vendor retained by the Mutual and/or the GRF;
- (h) annoys, harasses or interferes with any Qualifying Residents, Shareholders or their invitees, visitors, guests and/or employees; or
- (i) in any other way breaches this Agreement and/or the Governing Documents of the Mutual.

Section 8.3 – Residential Purposes Only.

The Qualifying Resident and other Co-Occupant(s) shall occupy the Unit as a private residential dwelling only, subject to the requirements as set forth in California Civil Code § 51.3. No commercial or retail use is permitted in the Unit or of the Community except as provided for in this Agreement. So long as the Qualifying Resident continues to own

SEAL BEACH MUTUAL NO. NINE**Occupancy Agreement**

the Stock of the Mutual, occupies the Unit and abides by the terms of this Agreement and the Governing Documents of the Mutual, the Qualifying Resident, in common with the other Qualifying Residents of the Mutual, may enjoy the use of all Common Area and facilities in the Community. Subject to the Governing Documents, the Qualifying Resident shall not own more than one share of stock in Leisure World. The Qualifying Resident is expressly obligated to fully divest ownership in the Mutual prior to acquiring, owning or occupying a dwelling unit in Leisure World, other than the Unit.

**ARTICLE IX
INSURANCE HAZARDS**

Section 9.1 – Responsibility for Hazards.

- (a) The Qualifying Resident shall not:
- i. cause or permit any nuisance, or activity in the Unit or in any part of the Community; or
 - ii. permit or suffer anything to be done or kept in the Unit, Community and/or anywhere within Leisure World, which will increase the cost or rate of insurance, including without limitation, fire, liability and other hazards insurance; or
 - iii. permit or suffer anything to be done or kept in the Unit and upon the Community which will obstruct or interfere with the rights of other persons, or annoy them by unreasonable noises or otherwise; or
 - iv. commit, permit or suffer any nuisance and/or any illegal act in the Community and/or the Unit, and/or Leisure World, and/or any other Mutuals within Leisure World, or any Common Area.
- (b) The Qualifying Resident shall comply with all requirements of all governmental authorities with respect to the Unit and the Community. If by reason of the Qualifying Resident's occupancy or use of the Unit and/or Community, the Mutual's rate of insurance increases, the Qualifying Resident shall be liable for the additional insurance premiums.

**ARTICLE X
ALTERATIONS TO UNIT**

Section 10.1 – Alterations Require Consent.

Except with the prior written consent of the Board of Directors, the Qualifying Resident shall not:

- (a) make or permit any structural alterations, changes or additions in or to the Unit; or
- (b) make or permit any alterations in the water or other service/utility pipes, electrical conduits, plumbing or other fixtures connected therewith; or
- (c) remove, alter, replace any additions, improvements, or fixtures from the Community; or

SEAL BEACH MUTUAL NO. NINE**Occupancy Agreement**

- (d) install in the Unit any air conditioning equipment, stove, oven, refrigerator, washing machine/dryer, dishwasher, built-in microwave, hot tub/spa, electric heater, or other item which, when installed, would be considered a fixture pursuant to California law; or
- (e) make or permit any alterations, changes or additions in or to the interior of the Unit, or to the exterior of the Unit, or building within which the Unit is located, or the Community or any building or structure forming a part thereof.

The Qualifying Resident agrees and acknowledges that the Mutual may require the prompt removal of any such item or equipment installed without consent of the Board of Directors, at any time, and that the Qualifying Resident's failure to remove such item or equipment upon request of the Board of Directors shall constitute a default of this Agreement. Consent shall not entitle the Qualifying Resident to reimbursement for any amount expended by the Qualifying Resident.

Section 10.2 – Restoration costs.

The Qualifying Resident shall pay all costs of maintenance, repair and/or restoration of the Unit which result from alterations, changes or additions made by the Qualifying Resident if the alterations, changes or additions have not been approved in writing by the Board of Directors. If the Qualifying Resident refuses or neglects for a period of ten (10) days following receipt of written notice from the Board of Directors to maintain, repair and restore the Unit to its original condition, then the Board of Directors without further notice to the Qualifying Resident, may:

- (a) cause maintenance, repair and restoration of the Unit to be made; and
- (b) enter, or cause their agents, employees, or contractors to enter the Unit for that purpose.

All expenses and costs incurred by the Mutual in doing so shall be due and payable by the Qualifying Resident to the Mutual as a Reimbursement Assessment immediately upon written notice to the Qualifying Resident.

Section 10.3 – Governmental compliance of alterations.

When consent is given for alterations as provided herein:

- (a) all alterations, changes or additions made by the Qualifying Resident shall comply with applicable municipal, state and federal laws, regulations, building codes and requirements;
- (b) the Board of Directors may require such proof of compliance as may be necessary, including further improvements, to bring the said alterations, changes or additions to the standards required, with all costs to be borne by the Qualifying Resident;
- (c) if the Qualifying Resident fails to comply with the standards required, the Board of Directors may cause all measures to be taken so as to comply and may cause their agents, employees or contractors to enter the Unit for that purpose; and

SEAL BEACH MUTUAL NO. NINE**Occupancy Agreement**

- (d) all expenses and costs incurred by the Mutual in doing so shall be due and payable by the Qualifying Resident to the Mutual as a Reimbursement Assessment immediately upon written notice to the Qualifying Resident.

Section 10.4 – No compensation for alterations.

Upon withdrawal from or termination of Share Ownership or if the Qualifying Resident, for any other reason, shall cease to be an occupant of the Unit:

- (a) the Qualifying Resident shall not receive any compensation from the Mutual for alterations, changes or additions left in, on or affixed to the Unit or the Community by the Qualifying Resident;
- (b) at the sole option of the Board of Directors, the Qualifying Resident shall either:
- (i) remove the alterations, changes or additions to the Unit; or (ii) surrender to the Mutual possession thereof of all the alterations, changes or additions, fixtures and improvements. If the Board of Directors requires the Qualifying Resident to remove any alterations, changes or additions, the Unit must be left in the same condition as it was prior to the alterations, changes or additions having been made;
- (c) if the Qualifying Resident refuses or neglects for a period of ten (10) days following receipt of written notice from the Board of Directors to repair and restore the Unit to its original condition, or fails to provide the Board of Directors with evidence acceptable to the Board of Directors, in their sole discretion, that the Qualifying Resident has commenced with compliance of the written notice to repair and restore the Unit to its original condition, then the Board of Directors without further notice to the Qualifying Resident may cause repair and restoration of the Unit to be made, and may enter or cause their agents, contractors, or employees to enter the Unit for that purpose and the Qualifying Resident shall reimburse the Mutual as a Reimbursement Assessment for such repair and restoration, pursuant to this Agreement. If the Qualifying Resident fails to use reasonable diligence, in the sole discretion of the Board of Directors, to complete any required repair and restoration of the Unit timely, or if in the Board's sole discretion, the Qualifying Resident causes there to be undue delay in the required repair and restoration of the Unit, then the Board of Directors without further notice to the Qualifying Resident may cause repair and restoration of the Unit to be made, and may enter or cause their agents, contractors, or employees to enter the Unit for that purpose and the Qualifying Resident shall reimburse the Mutual as a Reimbursement Assessment for such repair and restoration, pursuant to this Agreement.

Section 10.5 – Compliance with alteration procedures.

The Qualifying Resident shall comply with the procedures established by the Mutual from time to time for authorization and installation of alterations, changes or additions to the Unit.

SEAL BEACH MUTUAL NO. NINE**Occupancy Agreement****ARTICLE XI****INTERIOR MAINTENANCE AND REPAIR OF UNIT****Section 11.1 – Repairs by Qualifying Resident.**

Subject to Article 10 of this Agreement, the Qualifying Resident shall, at the Qualifying Resident's own expense, keep the interior of the Unit in good condition and repair as required by the Governing Documents and in keeping with the character of the rest of the Community. The Qualifying Resident further agrees to repair and maintain Qualifying Resident's Unit at Qualifying Resident's own expense as follows:

- (a) any repairs or maintenance necessitated by the Qualifying Resident's own negligence or misuse or the negligence or misuse by the Qualifying Resident's Co-Occupants, invitees, or agents;
- (b) any redecoration of the interior of the Qualifying Resident's Unit, and minor repairs thereto, including, but not limited to, light bulbs, filters and similar items;
- (c) any repairs or maintenance of improvements and component parts thereof that were added by the Qualifying Resident, Shareholder or previous Qualifying Residents and/or Shareholders (whether within the interior of the Unit or exterior to the Unit) and other added items within the interior surfaces of the perimeter walls, floors and ceiling of the Unit;
- (d) any repairs, maintenance and/or replacement to non-standard items not available through the Purchasing, Maintenance and/or Physical Property departments of the GRF; and
- (e) any repairs, maintenance and/or replacement, after the Mutual's one (1) year warranty expires, to standard items, specifically, water heaters, garbage disposals, refrigerators, ovens and stove tops located in or about Qualifying Resident's Unit, whether installed by the Qualifying Resident and/or Shareholder or previous Qualifying Residents and/or Shareholders. The Mutual's one (1) year warranty on all standard items is described in the Mutual's Rules and Regulations and/or Policies.

Section 11.2 – Repairs by Mutual.

The Mutual shall provide and pay for all necessary repairs, maintenance and replacements, except as specified in this Agreement. The officers, directors, agents, representatives or vendors of the Mutual shall have the right to enter the Unit of the Qualifying Resident in order to effect necessary repairs, maintenance and replacements and to authorize entrance for such purposes by employees of any contractor, utility company, municipal agency, or others, at any reasonable hour and upon reasonable notice, except in the event of an emergency at any time.

Section 11.3 – Damage caused by leakage.

The Mutual shall not be liable for any damage caused to the interior of the Unit, including without limitation, the flooring, walls, decorations and contents of the Unit by leakage or overflow of water, electricity, steam or vapor from any water, steam, drain, pipes or electrical conduits, or from any other source, belonging or appertaining to any other part of the Community. This provision includes any and all water damage caused by the

SEAL BEACH MUTUAL NO. NINE**Occupancy Agreement**

Qualifying Resident's installation, maintenance and/or use of a water filter, ice maker, bidet and water heater, after the Mutual's one (1) year warranty, pursuant to the Mutual's Rules and Regulations and/or Policies, has expired.

Section 11.4 – Liability for damage.

The Mutual shall determine whether to restore the damaged Unit in the event of loss or damage by fire or other casualty to the Unit without the fault or negligence of the Qualifying Resident. In the event that the Mutual determines to restore the damage Unit as described in this Section 11.4, the Mutual will only replace the damaged Unit with standard items available through Purchasing, Maintenance and/or Physical Property departments of the GRF. The Mutual shall further determine, in its sole and absolute discretion, in the event such Unit shall not be restored, the amount which shall be paid to the Qualifying Resident to redeem the Stock of the Qualifying Resident and to reimburse the Qualifying Resident for such loss as the Qualifying Resident may have sustained.

Section 11.5 – Repairs as required.

The Qualifying Resident shall make all repairs as required by this Agreement in a manner acceptable to the Board of Directors. If the Qualifying Resident at any time fails, refuses or neglects for a period of ten (10) days after having received written notice from the Board of Directors to make repairs in a manner acceptable to the Board of Directors, or fails to provide to the Board of Directors, within ten (10) days after having received written notice from the Board of Directors, evidence acceptable to the Board of Directors, that the Qualifying Resident has commenced with compliance of the written notice to repair the Unit, or to maintain the Unit in good condition, the Board of Directors may:

- (a) cause the repairs to be made, or restore the Unit to good condition; and/or
- (b) enter or cause its agents, contractors and/or employees to enter the Unit for that purpose.

All expenses and costs incurred by the Mutual in doing so shall be due and payable by the Qualifying Resident to the Mutual as a Reimbursement Assessment immediately upon written notice to the Qualifying Resident.

Section 11.6 – Report defects.

The Qualifying Resident shall immediately report in writing and/or telephonically by way of voicemail to the Board of Directors any failure or defect of electrical, mechanical, plumbing, sewage, or structural components or systems of the Unit or the Community, or any other item which poses a health or safety risk, of which the Qualifying Resident has notice or knowledge.

Section 11.7 – Repairs on vacating.

Upon withdrawal from or termination of Share Ownership in the Mutual, the Qualifying Resident shall surrender and deliver to the Mutual vacant possession of the Unit, subject to this Agreement.

SEAL BEACH MUTUAL NO. NINE**Occupancy Agreement****Section 11.8 – Inspection on withdrawal or termination.**

The Board of Directors shall cause the Unit to be inspected on, before, or within a reasonable time after withdrawal from or termination of Share Ownership and provide the Qualifying Resident with a written list of cleaning, repairs, changes, alterations and restorations which the Mutual requires to be carried out at the Qualifying Resident's expense. All expenses and costs incurred by the Mutual in conducting such inspection shall be due and payable by the Qualifying Resident to the Mutual upon written notice to the Qualifying Resident, pursuant to the Governing Documents of the Mutual.

Section 11.9 – Cost of repairs and cleaning.

After the Qualifying Resident vacates the Unit:

- (a) the Board of Directors shall provide the Qualifying Resident, as soon as practicable, with a written schedule of estimated charges for cleaning, repairs, changes, alterations and restorations not carried out prior to vacating the Unit by the Qualifying Resident;
- (b) the Mutual may make repairs, changes, alterations or restorations to the Unit as may be necessary to put the Unit in the required condition and state of repair;
- (c) the total of the said charges shall be due and payable by the Qualifying Resident to the Mutual immediately on written notice to the Qualifying Resident; and
- (d) the Board of Directors may deduct the charges from the amount paid for the Stock.

Section 11.10 – Cost of Relocation.

The costs of temporary relocation during the repair and maintenance of the Common Area of the Community, within the responsibility of the Mutual, including without limitation, termite and other wood-destroying pests or organisms treatment, asbestos abatement and/or other pest, organism or vermin eradication shall be borne by the Qualifying Resident of the Unit. The costs of temporary relocation during the repair and maintenance of the Unit within the responsibility of the Mutual, shall be borne by the Qualifying Resident of the Unit. The costs of temporary relocation during the repair and maintenance of the Unit within the responsibility of the Qualifying Resident, shall be borne by the Qualifying Resident of the Unit.

ARTICLE XII**QUALIFYING RESIDENT REQUIRED TO OBTAIN INSURANCE****Section 12.1 – Qualifying Resident Insurance.**

The Qualifying Resident shall, at the Qualifying Resident's expense:

- (a) obtain and keep in full force and effect the following insurances:
 - i. HO6 Policy or any equivalent homeowner's insurance policy, if available. If the Qualifying Resident's insurance company will not issue an HO6 Policy on the Unit, the Qualifying Resident is required to obtain renter's insurance;
 - ii. third party liability, standard fire and comprehensive insurance coverage on the Qualifying Resident-supplied fixtures and improvements,

SEAL BEACH MUTUAL NO. NINE

Occupancy Agreement

- furniture and all other contents of the Qualifying Resident's Unit under an insurance policy satisfactory to the Board of Directors; and
- iii. insurance to cover any deductible for claims made against the Mutual or the GRF's policies of insurance; and
- (b) provide the Board of Directors with a copy of the insurance policies or other evidence satisfactory to the Board of Directors on ten (10) days prior written request for the same, or a lesser time period of three (3) days pursuant to the local fire code, but no acceptance by the Board of Directors of any insurance policy shall constitute any approval or liability in respect of the adequacy or suitability thereof by the Board of Directors or the Mutual. Notwithstanding the foregoing, the Mutual shall not have the obligation to confirm that the Qualifying Resident carries the insurance required under this Agreement and/or confirm the terms of any insurance purchased by the Qualifying Resident.

Section 12.2 – Qualifying Resident may not claim under the Mutual’s insurance policy.

The Qualifying Resident may not make any claim or require or expect the Mutual to make a claim under the Mutual's insurance policy for any matter for which the Qualifying Resident has or should have insurance coverage under this Agreement. If, in the discretion of the Board of Directors, it is in the best interests of the Mutual to make a claim under its policy, the Qualifying Resident shall be liable for any applicable deductible payable by the Mutual.

ARTICLE XIII

LIENS

Section 13.1 – Qualifying Resident not to permit Mechanics’ Liens.

The Qualifying Resident shall not cause or permit any mechanics’ liens or any other lien to be placed upon or against the Community or the Unit.

Section 13.2 – Mutual may pay Mechanics’ Lien.

If any lien is recorded, or an attempt is made by any person, corporation or firm to record a lien against the Qualifying Resident's Unit or Community by reason of the action, conduct or omission of the Qualifying Resident, the Mutual may, at its option:

- (a) pay and discharge any such lien or purchase any such lien; and
- (b) the amount so paid shall be a Reimbursement Assessment against the Qualifying Resident.

The amount shall be immediately due and payable by the Qualifying Resident to the Mutual upon written notice to the Qualifying Resident.

ARTICLE XIV

ASSIGNMENT AND SUBLETTING/FAILURE TO RESIDE

Section 14.1 – Subletting and Assignment.

Unless otherwise provided for in the Mutual’s Governing Documents, the Qualifying Resident and/or Shareholder shall not:

SEAL BEACH MUTUAL NO. NINE**Occupancy Agreement**

- (a) assign this Agreement;
- (b) lease or sublet in whole or part the Unit;
- (c) otherwise part with possession of the Unit; or
- (d) encumber any interest in this Agreement.

If permitted pursuant to the Mutual's Governing Documents, the Qualifying Resident may lease or sublet the Unit in whole or in part, subject to any restrictions or limitations set forth in this Agreement or the Mutual's Governing Documents. Any Qualifying Resident and/or Shareholder approved by the Mutual to lease out his/her Unit, is required to execute an addendum to this Agreement ("Addendum") prior to entering into any Lease with any Tenant. Such Addendum will also require the signature of each Tenant. The failure of the Shareholder and/or Tenant to sign the Addendum shall be deemed a waiver of the Shareholder's right to rent the Unit.

Violation of this Section 14.1 shall, at the option of the Board of Directors, result in termination and forfeiture of the Qualifying Resident's rights under this Agreement.

Section 14.2 – Failure to Reside.

The Qualifying Resident shall reside in the Unit on a full-time permanent basis as the principal residence of the Qualifying Resident and shall not, without the written consent of the Board of Directors, cease or fail to reside in the Unit on a full-time permanent basis for a period exceeding one hundred eighty (180) days per twelve (12) month period. If the Qualifying Resident shall cease or fail to reside in the Unit on a full-time permanent basis, for a period exceeding one hundred eighty (180) days, without obtaining the written consent of the Board of Directors, the Board of Directors, in their sole discretion, may determine that the Qualifying Resident has abandoned such Unit ("Abandonment").

ARTICLE XV**TERMINATION OF SHARE OWNERSHIP AND AGREEMENT****Section 15.1 – Right of Occupancy.**

This Agreement and the right of the Qualifying Resident, and that of any person residing in the Unit, to possession or occupancy of the Unit shall terminate if the Share Ownership of the Qualifying Resident is terminated under this Agreement and/or the Governing Documents.

Section 15.2 – Material Conditions.

All the terms and provisions of this Agreement shall be deemed material provisions and a breach of any term or provision shall be considered a default under Article 18 of this Agreement.

Section 15.3 – Termination on Abandonment.

If the Qualifying Resident has abandoned the Unit, as defined in Section 14.2 of this Agreement, or otherwise ceased to occupy the Unit, the Mutual may terminate the Qualifying Resident's Share Ownership.

SEAL BEACH MUTUAL NO. NINE

Occupancy Agreement

ARTICLE XVI

WITHDRAWAL FROM SHARE OWNERSHIP

Section 16.1 - Withdrawal from Share Ownership.

Withdrawal of the Qualifying Resident from Share Ownership of the Mutual shall terminate this Agreement, and withdrawal shall occur:

- (a) at any time by written agreement signed by the Qualifying Resident and the Mutual;
- (b) by the Qualifying Resident giving at least one (1) full calendar months' notice of withdrawal in writing, the time being calculated from the last day of the month in which notice is given; or
- (c) in the circumstances provided for withdrawal specified in the Governing Documents of the Mutual; or
- (d) termination based upon a breach of this Agreement and/or the Governing Documents.

Section 16.2 – Stock Redemption.

Upon withdrawal from or termination of Share Ownership, the Mutual shall redeem the Qualifying Resident's Stock in the Mutual in the amount and in the manner specified in the Governing Documents.

ARTICLE XVII

RIGHTS AND REMEDIES/WAIVERS

Section 17.1 – Cumulative Rights.

The rights and remedies hereby created are cumulative and are in addition to all common law and statutory rights and remedies. The use of one remedy shall not be taken to exclude or waive the right to the use of another. Said remedies may be proceeded under simultaneously or successively.

Section 17.2 – Failure to pursue Remedies.

Any failure by the Mutual to terminate the Qualifying Resident's Share Ownership because of any breach by the Qualifying Resident of any of the provisions of this Agreement or any extension of time granted to the Qualifying Resident for the payments of any amount due under the provisions of this Agreement, shall not in any way be construed as a waiver of any of the Mutual's rights hereunder or as an implied future waiver or extension on any subsequent default by the Qualifying Resident.

Section 17.3 – Non-waiver of remedies.

The failure of the Mutual to insist in one or more instances upon strict performance of the Qualifying Resident of any covenant herein contained, or the failure of the Mutual to exercise any right or option herein contained, or to serve any notice, or to institute any action or proceeding hereunder shall not be construed to be a waiver or relinquishment for the future of such covenant, option or right, but, on the contrary, every such covenant, option and right shall continue and remain in full force and effect.

SEAL BEACH MUTUAL NO. NINE**Occupancy Agreement****Section 17.4 – Waiver to be in writing.**

The receipt by the Mutual of any sum due by the Qualifying Resident, with the knowledge on the Mutual's part of any breach by the Qualifying Resident of any term, covenant or provisions hereof shall not constitute a waiver of the breach, and the Mutual shall not under any circumstances be considered to have waived any breach unless the waiver shall have been expressed in writing and signed by two of the Mutual's officers pursuant to authority thereunder given by a resolution approved by the Mutual's Board of Directors.

ARTICLE XVIII**DEFAULT BY QUALIFYING RESIDENT AND EFFECT THEREOF****Section 18.1 – Definition of Default by Qualifying Resident.**

It is hereby mutually agreed as follows: If at any time after the happening of any of the other events specified in 18.1 of this Article, the Mutual shall give to the Qualifying Resident notice that the Qualifying Resident's right to occupy under this Agreement will expire at a date not less than thirty (30) days thereafter (except that in the case of the default specified in 18.1(h) of this Article, such date in the notice shall be three (3) days and/or ten (10) days, whichever is applicable), the Qualifying Resident's right to occupy the Unit under this Agreement will expire on the date so fixed in such notice, unless in the meantime the default has been cured in a manner deemed satisfactory by the Mutual, it being the intention of the parties hereto to create hereby conditional limitations, and it shall thereupon be lawful for the Mutual to re-enter the Unit and to remove all persons and personal property therefrom, either by summary dispossession proceedings or by suitable action or proceeding at law or in equity or by any other proceedings which may apply to the eviction of the tenants by force or otherwise, and to repossess the Unit in its former state as if this Agreement had not been made:

- (a) in case at any time during the Term of this Agreement, the Qualifying Resident shall cease to be the owner and legal holder of the Stock of the Mutual;
- (b) in case the Qualifying Resident attempts to transfer or assign this Agreement in any manner inconsistent with the provisions of the Governing Documents;
- (c) in case at any time during the continuance of this Agreement, the Qualifying Resident shall be declared bankrupt under the laws of the United States;
- (d) in case at any time during the Term of this Agreement, a receiver of the Qualifying Resident's property shall be appointed under any laws of the State of California and/or the United States;
- (e) in case at any time during the Term of this Agreement, the Qualifying Resident shall make a general assignment for the benefit of creditors;
- (f) in case at any time during the Term of this Agreement, the Stock shall be duly levied upon and sold under the process of any Court;
- (g) in case the Qualifying Resident fails to effect and/or pay for repairs and maintenance as provided for herein;
- (h) in case the Qualifying Resident fails to pay any sum due pursuant to the provisions in this Agreement or the Governing Documents;

SEAL BEACH MUTUAL NO. NINE**Occupancy Agreement**

- (i) in case the Qualifying Resident fails to pay any charge which, if not paid, could become a lien against the Unit or the Community;
- (j) in case an individual or individuals occupy the Unit covered by this Agreement in violation of law, or in violation of the Governing Documents of the Mutual, or policies of the GRF;
- (k) in case the Qualifying Resident shall default in the performance of any of Qualifying Resident's obligations under this Agreement;
- (l) any default as provided for in Section 5.7 of this Agreement;
- (m) any default as provided for in Section 6.1(b) of this Agreement;
- (n) any default as provided for in Section 8.2 of this Agreement;
- (o) in case the Qualifying Resident creates unsanitary conditions within the Unit or anywhere in the Community, including but not limited to, insect and rodent inviting conditions, fire loading conditions, or maintaining the Unit in a state which creates hazardous conditions for the Qualifying Resident and/or any other Qualifying Residents or occupant within the Community.

Section 18.2 – Effect of Default.

The Qualifying Resident hereby expressly waives any and all right of redemption in case the Qualifying Resident shall be dispossessed by judgment or warrant of any Court or judge. The words "enter", "re-enter", and "re-entry", as used in this agreement, are not restricted to their technical legal meaning, and in the event of a breach or threatened breach by the Qualifying Resident of any of the covenants or provisions hereof, the Mutual shall have the right of injunction and the right to invoke any remedy allowed at law or in equity, as if re-entry, summary proceedings, and other remedies were not herein provided for.

Section 18.3 – Landlord- Tenant Relationship.

The Qualifying Resident expressly agrees that there exists under this Agreement a landlord-tenant relationship and that in the event of a breach or threatened breach by the Qualifying Resident of any covenant or provision of this agreement, there shall be available to the Mutual such legal remedy or remedies as are available to a landlord for the breach or threatened breach under the laws of the State of California by a tenant of any provision of a lease or rental agreement, including without limitation, unlawful detainer proceedings.

Section 18.4 – Qualifying Resident Waiver.

Notwithstanding any other provisions of this Agreement, the Qualifying Resident, in case the Qualifying Resident is in default hereunder, hereby expressly waives any and all notices and demands for possession as provided by the laws of the State of California.

Section 18.5 – Mutual Remedies.

The failure on the part of the Mutual to avail itself of any of the remedies given under this Agreement shall not waive nor destroy the right of the Mutual to avail itself of such remedies for similar or other breaches on the part of the Qualifying Resident.

SEAL BEACH MUTUAL NO. NINE**Occupancy Agreement****ARTICLE XIX****RIGHT TO ENTER/INSPECTION OF UNIT****Section 19.1 – Entry For Emergency.**

If any director, officer, employee or agent of the Mutual or any agent or director of GRF (“Inspection Representative”), and with the approval of the Mutual, the employees of any contractor, utility company, municipal agency or others, determines that an emergency exists in or about the Unit and the Qualifying Resident cannot be immediately contacted to authorize entry to the Unit, then any Inspection Representative is hereby authorized by the Qualifying Resident, without notice, to enter the Unit to remedy the emergency.

Section 19.2 – Costs of Emergency Entry.

Any costs associated with the emergency, the entry or remedial measures shall be borne by the party or parties responsible, as shall be determined by the Board of Directors and the costs to be paid by the Qualifying Resident shall immediately become due and payable by the Qualifying Resident to the Mutual as a Reimbursement Assessment upon written notice to the Qualifying Resident.

Section 19.3 – Entry for Non-Emergency.

Where an emergency does not exist, the Inspection Representative, and with the approval of the Mutual, the employees of any contractor, utility company, municipal agency or others, shall enter the Qualifying Resident's Unit only if:

- (a) the Qualifying Resident consents; or
- (b) the Board of Directors gives the Qualifying Resident notice, pursuant to California law, that access is required for a reasonable purpose.

Section 19.4 – Definition of “reasonable purpose”.

“Reasonable purposes” shall include:

- (a) entry to access, inspect, or repair structures or systems of the Unit and/or the Community;
- (b) entry for the purpose of determining if the Qualifying Resident is in compliance with this Agreement, and any other Governing Documents of the Mutual;
- (c) entry for the purpose of determining if the Qualifying Resident has ceased to occupy the premises or has otherwise abandoned the same;
- (d) entry for the purpose of the Board to determine, in its sole discretion, if the Qualifying Resident and/or Co-Occupants of the Unit have created or allowed conditions to persist that are hazardous to themselves or other Qualifying Residents, Shareholders and residents in the Community, including but not limited to, unsanitary conditions, the overabundance and/or hoarding of items such that high fire loading conditions exist and/or ingress and egress within and to the Unit is restricted, and wellness checks; and
- (e) entry for the purpose of inspecting the Unit for damage, any deferred maintenance or other issues requiring immediate attention if the Unit has been abandoned, as described in Section 14.2 of this Agreement. The Mutual and/or any of its agents, vendors, contractors, Board of Directors, personnel or anyone acting on behalf of the Mutual may enter such abandoned Unit to inspect for

SEAL BEACH MUTUAL NO. NINE

Occupancy Agreement

damage, deferred maintenance or other issues that may require immediate attention every three (3) months, at a minimum. The cost of such inspection and any maintenance performed pursuant to such inspection shall be billed back to the Qualifying Resident of the Unit.

Section 19.5 – Time of Entry.

Entries except in cases of emergency shall be between the hours of 8:00 a.m. and 10:00 p.m.

Section 19.6 – No Refusal to Enter Unit.

The Qualifying Resident may not refuse entry to the Unit where Sections 19.1 to 19.5 apply.

**ARTICLE XX
SERVING NOTICES**

Section 20.1 – Service of Notice By The Mutual or By The Qualifying Resident.

The Mutual and the Qualifying Resident must serve any notices as required under this Agreement, provisions of law, or the Governing Documents of the Mutual. Such notice may be given in writing by depositing the same with the United States Post Office, in a postage-paid, sealed envelope addressed to the person to whom the notice is to be given, except that all notices given by the Mutual to the Qualifying Resident and/or Shareholder pursuant to Article XIX of this Agreement shall be posted on the front door of the Unit. The Qualifying Resident's address will be the same as appears in the corporate file of the Mutual and the address of the Mutual will be the same as appears with the California Secretary of State. The time when such notice shall be mailed shall be deemed the time of the giving of such notice.

**ARTICLE XXI
LIMITATION OF LIABILITY**

Section 21.1 – Liability Limited.

The Qualifying Resident expressly agrees to defend, indemnify and hold the Mutual, its agents, employees, directors, officers, committees and committee members, panels, and panel members, Shareholders, attorneys, and the like, free and harmless from any and all liability for any and all injury, damage, suits, actions, claims, demands, causes of action, liabilities, expenses, attorney's fees, consultant fees, expert fees and costs arising from injury to persons or property caused by the action or inaction, or the failure to comply with any provisions of this Agreement by the Qualifying Resident, or his or her Co-Occupant, visitor, guest or invitee.

The obligation to indemnify shall be effective even if active or passive negligence or misconduct of the Mutual contributes to the loss, claim or damage. This indemnity will not

SEAL BEACH MUTUAL NO. NINE**Occupancy Agreement**

extend to: (i) claims arising from the sole negligence or sole willful misconduct of the Mutual; or (ii) claims occurring after the Agreement is terminated.

The Qualifying Resident's obligation to defend and indemnify will be triggered when the Mutual: (i) notifies the Qualifying Resident of any potential claim within a reasonable time (however, the failure to so notify the Qualifying Resident shall not affect the obligations of the Qualifying Resident); (ii) permits the Qualifying Resident to assume any defense by appointing a conflict-free, reputable counsel who is reasonably acceptable to the Mutual to be the lead counsel in connection with such defense; (iii) and provides the Qualifying Resident with the right to defend and settle any claim, except in the event that a conflict exists between the Mutual and the Qualifying Resident, in such case, the Mutual shall be entitled to appoint conflict-free counsel of its choice and control its defense.

Prior to the Qualifying Resident assuming control of any such defense, the Qualifying Resident shall first provide written documentation showing that: (i) the Qualifying Resident will be fully responsible for all liabilities and obligations for the full indemnification of the Mutual; and (ii) the Qualifying Resident is financially capable of paying any settlement, potential judgment and/or resolution before the Qualifying Resident is entitled to take control of any defense referenced herein.

ARTICLE XXII**MISCELLANEOUS PROVISIONS****Section 22.1 – Amendments to the Agreement.**

This Agreement may only be amended, modified or supplemented by a written instrument executed by all Parties.

Section 22.2 – Oral Representation Not Binding.

No representations other than those contained in this Agreement, or the Governing Documents of the Mutual, shall be binding upon the Mutual.

Section 22.3 – Rules of Interpretation.

Except as otherwise expressly provided in this Agreement, the following rules shall apply hereto: (i) the singular includes the plural and plural includes the singular; (ii) "or" is not exclusive and "include" and "including" are not limiting; (iii) a reference to any agreement or other contract includes any permitted supplements and amendments; (iv) a reference in this Agreement to a section, article or exhibit is a reference to a section, article or exhibit within or attached to this Agreement unless otherwise expressly provided; (v) a reference to a section or article in this Agreement shall, unless the context clearly indicates to the contrary, refer to all sub-parts or sub-components of any said section or paragraph; (vi) words such as "hereunder," "hereto," "hereof," and "herein," and other words of like import shall, unless the context clearly indicates to the contrary, refer to the whole of this Agreement and not to any particular clause hereof; (vii) the headings of the articles or sections and the ordering or position thereof are for convenience only and shall not in any way be deemed to affect the meaning of this Agreement; (viii) a reference in this

SEAL BEACH MUTUAL NO. NINE

Occupancy Agreement

Agreement to a "person" or "party" (whether in the singular or the plural) shall (unless otherwise indicated herein) include both natural persons and unnatural persons (including, but not limited to, corporations, trusts, etc.); (ix) wherever the masculine is used in this Agreement, the same shall be construed as meaning the feminine where the context or the parties hereto so require; and (x) where there are two or more Qualifying Resident parties hereto, all obligations to be performed by the Qualifying Resident shall be deemed to be joint and several.

Section 22.4 – Successors and Assigns.

The obligations in this Agreement shall be binding upon the Qualifying Resident, the respective heirs, executors, administrators, and successors of the Qualifying Resident as if the same had been signed and sealed by the Qualifying Resident. This Agreement shall be binding upon and ensure to the benefit of the permitted assigns of the respective parties hereto and replaces in its entirety any agreement entered into heretofore with respect to occupancy and use of the Unit.

Section 22.5 – Enforceability.

If any portion of this Agreement shall be adjudged unenforceable, it shall be severed, and the remainder of the Agreement shall remain in full force and effect.

Section 22.6 – Attorney’s Fees and Costs.

If the Qualifying Resident defaults in performance or observance of any provision of this Agreement (including but not limited to the actions or inactions of any Co-Occupant, visitor, guest or invitee of the Qualifying Resident), and the Mutual has obtained the services of any attorney with respect to the defaults involved, the Qualifying Resident covenants and agrees to be responsible to the Mutual for any costs and/or fees involved, including reasonable attorney’s fees, notwithstanding the fact that a suit has not yet been instituted. In any action arising from or related to this Agreement, the prevailing party shall be entitled to reasonable attorney’s fees and costs. "Costs" shall include all actual costs incurred, including experts’ fees and other costs which otherwise would be barred by California Code of Civil Procedure ("CCP") section 1033.5(b) as well as costs which would be awarded as a matter of law pursuant to CCP section 1033.5(b).

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed and sealed the day and year first above written.

SEAL BEACH MUTUAL NO. NINE

By: _____

Its: _____

Qualifying Resident: _____

SEAL BEACH MUTUAL NO. NINE

Occupancy Agreement

Qualifying Resident: _____

Qualifying Resident: _____

[End of Document]

SEAL BEACH MUTUAL NO. NINE

Addendum to Occupancy Agreement

Recitals

This ADDENDUM TO OCCUPANCY AGREEMENT (“Agreement”), made and entered into this _____, 20____ by and among _____, (“Shareholder”), and _____, (“Tenant”) and SEAL BEACH MUTUAL NO. NINE (“Mutual”), a California corporation having its principal office and place of business in Orange County, California who joins in this Addendum solely for the purposes of the agreements between the Shareholder and the Mutual contained herein.

- A. WHEREAS, the Shareholder is the owner and holder of one share of common capital stock of the Mutual;
- B. WHEREAS, the Shareholder and the Mutual entered into an Occupancy Agreement dated _____, (“Occupancy Agreement”) which governs the relationship between the Shareholder and the Mutual. The Occupancy Agreement provides that the Shareholder shall not assign the Occupancy Agreement, or lease or sublet any whole or part the Unit;
- C. WHEREAS, this Addendum amends such sections of the Occupancy Agreement, and provides that the Shareholder can lease out the Unit pursuant to a written lease (“Lease”) in accordance with this Addendum and in compliance with the Mutual’s Rules and Regulations;
- D. WHEREAS, this Addendum to the Occupancy Agreement provides that the Tenant can occupy the Unit for residential purposes only, and subject to the terms of the Lease, Leasing Rules and all other Governing Documents of the Mutual. Tenant may utilize the carport provided to the Shareholder in conjunction with the Unit, subject to the terms of the Mutual Governing Documents. Tenant may utilize common area of the Mutual, subject to the terms of the Mutual Governing Documents.

NOW, THEREFORE, in consideration of the mutual promises set out in this Addendum, the parties hereto agree as follows:

1. ARTICLE I – INCORPORATION OF RECITALS/CAPITALIZED TERMS

1.1. Section 1.1 – Incorporation of Recitals.

The above recitals are incorporated herein and made a part hereof by this reference.

1.2. Section 1.2 – Capitalized Terms.

Capitalized terms used herein which are undefined in this Agreement, shall

(Dec 20)

GOLDEN RAIN FOUNDATION Seal Beach, California

SEAL BEACH MUTUAL NO. NINE

Addendum to Occupancy Agreement

have the same definition as set forth in the Governing Documents.

2. ARTICLE II – CONDITIONS OF POSSESSION

2.1. Section 2.1 – Breach of Conditions.

This Addendum and the Term hereby created shall be subject to the conditions herein set forth, and shall come to an end upon the earliest of either: (i) the termination of this Addendum; (ii) termination of the Occupancy Agreement; and/or (iii) the termination of Share Ownership. This Addendum shall terminate as to the Tenant upon termination of the Lease.

2.2. Section 2.2 – Governing Documents.

The Term of this Addendum and possession of the Unit by the Tenant, through the Lease, is subject to:

2.2.1. the terms and conditions set out in the Articles of Incorporation, Bylaws, Occupancy Agreement, Rules and Regulations, Policies and Resolutions of the Board of the Mutual as amended from time to time (“Governing Documents”);

2.2.2. relevant and applicable zoning, health, or other laws of the municipal, state, and/or federal governments; and

2.2.3. the terms and conditions of this Addendum, the Occupancy Agreement between the Mutual and the Shareholder, and other agreements between the Mutual and any municipal, state and/or federal governments.

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

SEAL BEACH MUTUAL NO. NINE

Addendum to Occupancy Agreement

Any expenses incurred by the Mutual in connection with the enforcement of this Addendum, the Occupancy Agreement, and/or any of the Mutual's Governing Documents, 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.

Shareholder acknowledges and agrees that the language of this provision must also be included in the Lease executed by Tenant.

2.3. Section 2.3 – Unlawful Detainer Action.

If an order of unlawful detainer is made by any court of competent jurisdiction, giving the Mutual the right to regain possession of the Unit from the Shareholder and Tenant, this Addendum, the Occupancy Agreement, and the Lease shall thereupon immediately cease and be void.

Tenant acknowledges the Mutual's right to initiate an unlawful detainer action against the Shareholder in the event that: (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.

In any such unlawful detainer action against the Shareholder, the Mutual may seek an award of its attorney's fees and costs as set forth in this Addendum.

2.4. Section 2.4 – Common Area.

The Mutual hereby revokes from the Shareholder, during the Term of this Addendum, and any extension thereof, the right to use of the entrance, passageways, roadways, sidewalks, common grounds and other Common Areas of the Community, other than for accessing the Unit in connection with anything arising out of or related to the Lease, or for purposes normally associated with the duties of a landlord. All such Common Area privileges are delegated to the Tenant during the term of the Lease.

2.5. Section 2.5 – Occupancy Termination.

Subject to California Civil Code § 51.3, if the Shareholder shall cease to be entitled to occupy the Unit, or if the Shareholder's ownership of Stock is terminated, the right of all persons in the Unit, including without limitation, Tenants, Qualifying Residents, Shareholders, and all other persons occupying or visiting the Unit, to continue to occupy or use the Unit, shall come to an end

SEAL BEACH MUTUAL NO. NINE

Addendum to Occupancy Agreement

at the same time and without further notice being required.

2.6. Section 2.6 – No Assignment of Addendum.

The Tenant’s right of occupancy set forth under the Lease between the Shareholder and Tenant shall not be transferable or assignable.

2.7. Section 2.7 – New Tenant Orientation.

Prior to Tenant’s occupancy in the Unit, the Tenant and Shareholder must 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.

3. ARTICLE III – COMPLIANCE WITH MUTUAL GOVERNING DOCUMENTS

3.1. Section 3.1 – Comply with Mutual Governing Documents.

The Shareholder and Tenant shall preserve and promote the cooperative ownership principles on which the Mutual has been founded, act in cooperation with other Shareholders, Qualifying Residents and Tenants to maintain a high standard in home and community conditions and comply with and cause any Co-Occupants, family, visitors, guests, invitees, employees and any other person occupying or visiting the Unit to comply with all the terms, conditions and provisions of this Addendum, the terms and conditions as set out in the Governing Documents of the Mutual, as amended from time to time, and all changes and additions to this Addendum and the underlying Agreement, to the same extent as if they were herein incorporated.

Any expenses incurred by the Mutual in connection with the enforcement of this Addendum, the Occupancy Agreement, and/or any of the Mutual’s Governing Documents, 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.

4. ARTICLE IV – USE OF UNIT

4.1. Section 4.1 – Principal Residence.

The Tenant shall use the Unit and all parts thereof only as the Tenant’s principal residence. The number of persons residing in the Unit, as a principal residence, at any time shall be two (2) persons if the Unit has one (1) bedroom or three (3) persons if the Unit has two (2) bedrooms, and must be only those persons eligible to reside in the Unit pursuant to this Addendum. The number

SEAL BEACH MUTUAL NO. NINE

Addendum to Occupancy Agreement

170 of visitors, guests/persons residing in the Unit at any time must comply with all
 171 State, local, and County codes, regulations, and ordinances regarding the
 172 occupancy of residential dwellings, and may not exceed any occupancy limits
 173 established under such codes, regulations, or ordinances. The Shareholder
 174 and Tenant shall not, and shall not permit any other person to use or conduct
 175 from the Unit any active or daily trade, business or profession, except a Unit
 176 may be used for home office use, so long as such home office use is incidental
 177 to the residential use of the Unit. In addition to any restrictions set forth in the
 178 Governing Documents, the use of any portion of a Unit as a home office shall
 179 comply with the following provisions:

- 180 **4.1.1.** the home office use is not apparent or detectable by sight, sound, or
 181 smell from outside of the Unit;
- 182 **4.1.2.** the home office use complies with applicable laws and zoning
 183 ordinances;
- 184 **4.1.3.** no employees, clients, customers, patrons, messengers, or delivery
 185 personnel regularly visit the Unit or any portion of the Community in
 186 relation to the home office use;
- 187 **4.1.4.** the home office use does not increase the liability or casualty
 188 insurance obligations or premiums of the Mutual;
- 189 **4.1.5.** the home office use is consistent with the residential character of the
 190 Community and conforms with the provisions of the Governing
 191 Documents;
- 192 **4.1.6.** there shall be no direct sales of products or merchandise;
- 193 **4.1.7.** there shall be no displays, inordinate amount of delivery of mail or
 194 merchandise;
- 195 **4.1.8.** there shall be no advertising which identifies the home office by
 196 street address;
- 197 **4.1.9.** Pedestrian and vehicular traffic will be limited to that normally
 198 associated with residential districts;
- 199 **4.1.10.** the home office shall not involve the use of commercial vehicles for
 200 the delivery of materials to or from the Unit beyond those commercial
 201 vehicles normally associated with residential uses;
- 202 **4.1.11.** there shall be no outdoor storage of materials or equipment, nor shall
 203 merchandise be visible from outside the Unit;
- 204 **4.1.12.** the home office shall be confined within the Unit;
- 205 **4.1.13.** the appearance of the structure shall not be altered nor the
 206 occupation within the Unit be conducted in a manner which would
 207 cause the Unit to differ from its residential character either by the use
 208 of colors, materials, construction, lighting, signs, or the emissions of
 209 sounds, noises and vibrations;
- 210 **4.1.14.** no use shall create or cause noise, dust, vibration, odor, smoke,
 211 glare, or electrical interference or other hazards or nuisances; and

SEAL BEACH MUTUAL NO. NINE

Addendum to Occupancy Agreement

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5. ARTICLE V – INSURANCE HAZARDS

5.1. Section 5.1 – Responsibility for Hazards.

5.1.1. The Tenant shall not:

- 5.1.1.1.** cause or permit any nuisance, or activity in the Unit or in any part of the Community; or
- 5.1.1.2.** permit or suffer anything to be done or kept in the Unit, Community and/or anywhere within Leisure World, which will increase the cost or rate of insurance, including without limitation, fire, liability and other hazards insurance; or
- 5.1.1.3.** permit or suffer anything to be done or kept in the Unit and upon the Community which will obstruct or interfere with the rights of other persons, or annoy them by unreasonable noises or otherwise; or
- 5.1.1.4.** commit, permit or suffer any nuisance and/or any illegal act in the Community and/or the Unit, and/or Leisure World, and/or any other Mutuals within Leisure World, or any Common Area.

5.1.2. The Tenant shall comply with all requirements of all governmental authorities with respect to the Unit and the Community. If by reason of the Tenant’s occupancy or use of the Unit and/or Community, the Mutual’s rate of insurance increases, the Shareholder shall be liable for the additional insurance premiums.

Shareholder acknowledges and agrees that the language of this provision must also be included in the Lease executed by Tenant.

6. ARTICLE VI – NO ALTERATIONS TO UNIT

6.1. Section 6.1 – No Alterations to Unit.

The Tenant shall not make any alterations to the Unit. Any alterations made to the Unit in violation of this section may require the prompt removal of any such item or equipment installed without consent of the Board of Directors, at any time. The Shareholder’s failure to remove such item or equipment upon request of the Board of Directors shall constitute a default of this Addendum and the Occupancy Agreement.

Shareholder acknowledges and agrees that the language of this provision must also be included in the Lease executed by Tenant.

6.2. Section 6.2 – Restoration costs.

The Shareholder shall pay all costs of maintenance, repair and/or restoration of

SEAL BEACH MUTUAL NO. NINE

Addendum to Occupancy Agreement

296 the Unit which result from alterations, changes or additions made by the
 297 Tenant or Shareholder if the alterations, changes or additions have not been
 298 approved in writing by the Board of Directors. If the Shareholder refuses or
 299 neglects for a period of ten (10) days following receipt of written notice from the
 300 Board of Directors to maintain, repair and restore the Unit to its original
 301 condition, then the Board of Directors without further notice to the Shareholder,
 302 may:
 303 **6.2.1.** cause maintenance, repair and restoration of the Unit to be made;
 304 and
 305 **6.2.2.** enter, or cause their agents, employees, or contractors to enter the
 306 Unit for that purpose.
 307 All expenses and costs incurred by the Mutual in doing so shall be due and
 308 payable by the Shareholder to the Mutual as a Reimbursement Assessment
 309 immediately after a notice and hearing provided to Shareholder.

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311 **7. ARTICLE VII – INTERIOR MAINTENANCE AND REPAIR OF UNIT**

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313 **7.1. Section 7.1 – Repairs by Shareholder.**

314 The Shareholder shall, at the Shareholder’s own expense, keep the interior of
 315 the Unit in good condition and repair as required by the Governing Documents
 316 and in keeping with the character of the rest of the Community. The
 317 Shareholder further agrees to repair and maintain Shareholder’s Unit at
 318 Shareholder’s own expense as follows:

- 319 **7.1.1.** any repairs or maintenance necessitated by the Shareholder’s or
 320 Tenant’s own negligence or misuse or the negligence or misuse by
 321 the Shareholder or the Tenant’s invitees, or agents;
- 322 **7.1.2.** any redecoration of the interior of the Shareholder’s Unit, and minor
 323 repairs thereto, including, but not limited to, light bulbs, filters and
 324 similar items;
- 325 **7.1.3.** any repairs or maintenance of improvements and component parts
 326 thereof that were added by the Shareholder or previous Qualifying
 327 Residents and/or Shareholders (whether within the interior of the
 328 Unit or exterior to the Unit) and other added items within the interior
 329 surfaces of the perimeter walls, floors and ceiling of the Unit;
- 330 **7.1.4.** any repairs, maintenance and/or replacement to non-standard items
 331 not available through the Purchasing, Maintenance and/or Physical
 332 Property departments of the GRF;
- 333 **7.1.5.** any repairs, maintenance and/or replacement to standard items,
 334 including without limitation, water heaters, garbage
 335 disposals/stoppages, refrigerators, ranges, ovens, stove tops,
 336 faucets/all fittings, bathroom sinks/all fittings, shower resurfacing,
 337 and leaking toilets located in or about the Unit.

SEAL BEACH MUTUAL NO. NINE

Addendum to Occupancy Agreement

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7.2. Section 7.2 – Repairs by Mutual.

The Mutual shall provide and pay for all necessary repairs, maintenance and replacements, except as specified in this Addendum, the Occupancy Agreement and the Governing Documents. The officers, directors, agents, representatives or vendors of the Mutual shall have the right to enter the Unit in order to effect necessary repairs, maintenance and replacements and to authorize entrance for such purposes by employees of any contractor, utility company, municipal agency, or others, at any reasonable hour and upon reasonable notice, except in the event of an emergency at any time.

7.3. Section 7.3 – Damage caused by leakage.

The Mutual shall not be liable for any damage caused to the interior of the Unit, including without limitation, the flooring, walls, decorations and contents of the Unit by leakage or overflow of water, electricity, steam or vapor from any water, steam, drain, pipes or electrical conduits, or from any other source, belonging or appertaining to any other part of the Community.

7.4. Section 7.4 – Liability for damage.

The Mutual shall determine whether to restore the damaged Unit in the event of loss or damage by fire or other casualty to the Unit without the fault or negligence of the Shareholder. In the event that the Mutual determines to restore the damage Unit as described in this Section 7.4, the Mutual will only replace the damaged Unit with standard items available through Purchasing, Maintenance and/or Physical Property departments of the GRF. The Mutual shall further determine, in its sole and absolute discretion, in the event such Unit shall not be restored, the amount which shall be paid to the Shareholder to redeem the Stock of the Shareholder and to reimburse the Shareholder for such loss as the Shareholder may have sustained.

7.5. Section 7.5 – Repairs as required.

The Shareholder shall make all repairs as required by this Addendum, the Occupancy Agreement and the Governing Documents in a manner acceptable to the Board of Directors. If the Shareholder at any time fails, refuses or neglects for a period of ten (10) days after having received written notice from the Board of Directors to make repairs in a manner acceptable to the Board of Directors, or fails to provide to the Board of Directors, within ten (10) days after having received written notice from the Board of Directors, evidence acceptable to the Board of Directors, that the Shareholder has commenced with compliance of the written notice to repair the Unit, or to maintain the Unit in good condition, the Board of Directors may:

7.5.1. cause the repairs to be made, or restore the Unit to good condition;

SEAL BEACH MUTUAL NO. NINE

Addendum to Occupancy Agreement

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and/or

7.5.2. enter or cause its agents, contractors and/or employees to enter the Unit for that purpose.

All expenses and costs incurred by the Mutual in doing so shall be due and payable by the Shareholder to the Mutual as a Reimbursement Assessment immediately after notice and hearing provided to the Shareholder.

7.6. Section 7.6 – Report defects.

The Shareholder shall immediately report in writing and/or telephonically by way of voicemail to the Board of Directors any failure or defect of electrical, mechanical, plumbing, sewage, or structural components or systems of the Unit or the Community, or any other item which poses a health or safety risk, of which the Shareholder has notice or knowledge. Tenant shall immediately report such items upon their discovery to the Shareholder.

7.7. Section 7.7 – Cost of Relocation.

The costs of temporary relocation during the repair and maintenance of the Common Area of the Community, within the responsibility of the Mutual, including without limitation, termite and other wood-destroying pests or organisms treatment, asbestos abatement and/or other pest, organism or vermin eradication shall be borne by the Shareholder of the Unit. The costs of temporary relocation during the repair and maintenance of the Unit for any reason shall be borne by the Shareholder and/or Tenant of the Unit.

8. ARTICLE VIII – SHAREHOLDER AND TENANT REQUIRED TO OBTAIN INSURANCE

8.1. Section 8.1 – Property Damage and General Liability Insurance.

Each Shareholder is responsible for insuring his or her personal property located within the Mutual. Each Shareholder is also responsible for insuring all buildings, structures, and other Improvements contained within or located upon the Shareholder’s Unit (including, but not limited to the Shareholders’ Residences) against fire and other casualty. Nothing in this Restated Declaration 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.

SEAL BEACH MUTUAL NO. NINE

Addendum to Occupancy Agreement

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8.2. Section 8.2 – 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.

8.3. Section 8.3 – Proof of Insurance.

Duplicate copies of the insurance policies required under this Addendum and the Leasing Rules shall be submitted by a Shareholder to the Board upon request. 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.

8.4. Section 8.4 – 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 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 carry and maintain appropriate renter’s insurance shall be regarded as a material breach of the Lease.

8.5. Section 8.5 – Neither Shareholder nor Tenant May Claim Under the Mutual’s Insurance Policy.

Neither the Shareholder or Tenant may make any claim or require or expect the Mutual to make a claim under the Mutual’s insurance policy for any matter for which the Shareholder or Tenant has or should have insurance coverage under this Addendum. If, in the discretion of the Board of Directors, it is in the best interests of the Mutual to make a claim under its policy, the Shareholder shall be liable for any applicable deductible payable by the Mutual.

9. ARTICLE IX – ASSIGNMENT AND SUBLETTING/FAILURE TO RESIDE

SEAL BEACH MUTUAL NO. NINE

Addendum to Occupancy Agreement

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9.1. Section 9.1 – Subletting and Assignment.

The Tenant shall not:

- 9.1.1. assign this Agreement;
- 9.1.2. sublease or sublet in whole or part the Unit;
- 9.1.3. encumber any interest in this Addendum.

Violation of this Section shall, at the option of the Board of Directors, result in termination and forfeiture of the Shareholder’s rights under the Occupancy Agreement, and the institution of unlawful detainer proceedings against the Shareholder to recover possession of the Unit.

10. ARTICLE X – TERMINATION OF SHARE OWNERSHIP AND ADDENDUM

10.1. Section 10.1 – Right of Occupancy.

This Addendum and the right of the Tenant, and that of any person residing in the Unit, to possession or occupancy of the Unit shall terminate if the Share Ownership of the Shareholder is terminated under this Addendum, the Occupancy Agreement and/or the Governing Documents. The Mutual has the right to initiate an unlawful detainer action against the Shareholder in the event the Shareholder’s Share of Stock is terminated. In any such unlawful detainer action against the Shareholder, the Mutual may 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 this Addendum, and/or the 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.

10.2. Section 10.2 – Material Conditions.

All the terms and provisions of this Addendum shall be deemed material provisions and a breach of any term or provision shall be considered a default under Article 13 of this Addendum.

10.3. Section 10.3 – Termination of Share Ownership.

The Lease must provide that upon the notice of intent to transfer Stock, the Lease shall terminate, and the Tenant must vacate the premises and remove all personal property within thirty (30) days. The transfer of Stock shall not take place unless and until Tenant has permanently and completely vacated the Unit.

11. ARTICLE XI – WITHDRAWAL FROM SHARE OWNERSHIP

SEAL BEACH MUTUAL NO. NINE

Addendum to Occupancy Agreement

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- 11.1. Section 11.1 – Withdrawal from Share Ownership.**
Withdrawal of the Shareholder from Share Ownership of the Mutual shall terminate this Addendum and Lease, and withdrawal shall occur:
 - 11.1.1.** at any time by written agreement signed by the Shareholder and the Mutual;
 - 11.1.2.** by the Shareholder giving at least one (1) full calendar months' notice of withdrawal in writing, the time being calculated from the last day of the month in which notice is given; or
 - 11.1.3.** in the circumstances provided for withdrawal specified in the Governing Documents of the Mutual; or
 - 11.1.4.** termination based upon a breach of this Addendum, the Agreement and/or the Governing Documents.

12. ARTICLE XII – RIGHTS AND REMEDIES/WAIVERS

- 12.1. Section 12.1 – Cumulative Rights.**
The rights and remedies hereby created are cumulative and are in addition to all common law and statutory rights and remedies. The use of one remedy shall not be taken to exclude or waive the right to the use of another. Said remedies may be proceeded under simultaneously or successively.
- 12.2. Section 12.2 – Failure to pursue Remedies.**
Any failure by the Mutual to terminate the Shareholder’s Share Ownership because of any breach by the Shareholder and/or Tenant any of the provisions of this Addendum, the Occupancy Agreement and/or the Governing Documents, or any extension of time granted to the Shareholder for the payments of any amount due under the provisions of this Addendum, the Occupancy Agreement, and/or the Governing Documents shall not in any way be construed as a waiver of any of the Mutual's rights hereunder or as an implied future waiver or extension on any subsequent default by the Shareholder.
- 12.3. Section 12.3 – Non-waiver of remedies.**
The failure of the Mutual to insist in one or more instances upon strict performance of the Shareholder of any covenant herein contained, or the failure of the Mutual to exercise any right or option herein contained, or to serve any notice, or to institute any action or proceeding hereunder shall not be construed to be a waiver or relinquishment for the future of such covenant, option or right, but, on the contrary, every such covenant, option and right shall continue and remain in full force and effect.

SEAL BEACH MUTUAL NO. NINE

Addendum to Occupancy Agreement

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12.4. Section 12.4 – Waiver to be in writing.

The receipt by the Mutual of any sum due by the Shareholder, with the knowledge on the Mutual's part of any breach by the Shareholder of any term, covenant or provisions hereof shall not constitute a waiver of the breach, and the Mutual shall not under any circumstances be considered to have waived any breach unless the waiver shall have been expressed in writing and signed by two of the Mutual's officers pursuant to authority thereunder given by a resolution approved by the Mutual's Board of Directors.

13. ARTICLE XIII – DEFAULT BY QUALIFYING RESIDENT AND EFFECT THEREOF

13.1. Section 13.1 – Definition of Default by Shareholder.

It is hereby mutually agreed as follows: If at any time after the happening of any of the other events specified in this Article, the Mutual shall give to the Shareholder notice that the Shareholder's right to occupy under the Occupancy Agreement will expire at a date not less than thirty (30) days thereafter (except that in the case of the default specified in 13.1(h) of this Article, such date in the notice shall be three (3) days and/or ten (10) days, whichever is applicable), the Shareholder's right to occupy the Unit under the Occupancy Agreement will expire on the date so fixed in such notice, unless in the meantime the default has been cured in a manner deemed satisfactory by the Mutual, it being the intention of the parties hereto to create hereby conditional limitations, and it shall thereupon be lawful for the Mutual to re-enter the Unit and to remove all persons and personal property therefrom, either by summary dispossession proceedings or by suitable action or proceeding at law or in equity or by any other proceedings which may apply to the eviction of the tenants by force or otherwise, and to repossess the Unit in its former state as if the Occupancy Agreement had not been made:

- 13.1.1.** in case at any time during the Term of this Agreement, the Shareholder shall cease to be the owner and legal holder of the Stock of the Mutual;
- 13.1.2.** in case the Shareholder attempts to transfer or assign the Occupancy Agreement in any manner inconsistent with the provisions of the Governing Documents and/or this Addendum;
- 13.1.3.** in case at any time during the continuance of this Addendum and the Occupancy Agreement, the Shareholder shall be declared bankrupt under the laws of the United States;
- 13.1.4.** in case at any time during the Term of this Addendum and/or the Occupancy Agreement, a receiver of the Shareholder's property shall be appointed under any laws of the State of California and/or the United States;
- 13.1.5.** in case at any time during the Term of this Addendum and/or the

SEAL BEACH MUTUAL NO. NINE

Addendum to Occupancy Agreement

- 590 Occupancy Agreement, the Shareholder shall make a general
- 591 assignment for the benefit of creditors;
- 592 **13.1.6.** in case at any time during the Term of this Addendum and/or the
- 593 Occupancy Agreement, the Stock shall be duly levied upon and sold
- 594 under the process of any Court;
- 595 **13.1.7.** in case the Shareholder fails to effect and/or pay for repairs and
- 596 maintenance as provided for herein;
- 597 **13.1.8.** in case the Shareholder fails to pay any sum due pursuant to the
- 598 provisions in this Addendum, the Occupancy Agreement or the
- 599 Governing Documents;
- 600 **13.1.9.** in case the Shareholder fails to pay any charge which, if not paid,
- 601 could become a lien against the Unit or the Community;
- 602 **13.1.10.** in case an individual or individuals occupy the Unit covered by this
- 603 Addendum and the Occupancy Agreement in violation of law, or in
- 604 violation of the Governing Documents of the Mutual, or policies of the
- 605 GRF;
- 606 **13.1.11.** in case the Shareholder shall default in the performance of any of
- 607 Shareholder’s obligations under this Addendum and/or the
- 608 Occupancy Agreement;
- 609 **13.1.12.** any default as provided for in this Addendum and/or the Occupancy
- 610 Agreement;
- 611 **13.1.13.** in case the Shareholder and/or tenant creates unsanitary conditions
- 612 within the Unit or anywhere in the Community, including but not
- 613 limited to, insect and rodent inviting conditions, fire loading
- 614 conditions, or maintaining the Unit in a state which creates
- 615 hazardous conditions for the Tenant, Shareholder and/or any other
- 616 Shareholder, Qualifying Resident, Tenant or occupant within the
- 617 Community.

13.2. Section 13.2 – Effect of Default.

The Shareholder hereby expressly waives any and all right of redemption in case the Shareholder shall be dispossessed by judgment or warrant of any Court or judge. The words “enter”, “re-enter”, and “re-entry”, as used in this agreement, are not restricted to their technical legal meaning, and in the event of a breach or threatened breach by the Shareholder of any of the covenants or provisions hereof, the Mutual shall have the right of injunction and the right to invoke any remedy allowed at law or in equity, as if re-entry, summary proceedings, and other remedies were not herein provided for.

13.3. Section 13.3 – Landlord-Tenant Relationship.

The Shareholder acknowledges and expressly agrees that there exists under the Occupancy Agreement a landlord-tenant relationship and that in the event

SEAL BEACH MUTUAL NO. NINE

Addendum to Occupancy Agreement

of a breach or threatened breach by the Shareholder of any covenant or provision of the Occupancy Agreement, or by the Tenant under this Addendum, or the Lease, there shall be available to the Mutual such legal remedy or remedies as are available to a landlord for the breach or threatened breach under the laws of the State of California by a tenant of any provision of a lease or rental agreement, including without limitation, unlawful detainer proceedings.

13.3.1. Mutual Not a Landlord.

The exercise and enforcement of the Mutual’s rights under this Addendum, the Occupancy Agreement, the Leasing Rules and/or the Governing Documents shall in no way constitute the Mutual as a landlord or lessor under any Lease, and the Mutual shall have no such responsibility. The 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 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.

13.4. Section 13.4 – Shareholder Waiver.

Notwithstanding any other provisions of this Addendum, and/or the Occupancy Agreement, the Shareholder, in case the Shareholder is in default hereunder, hereby expressly waives any and all notices and demands for possession as provided by the laws of the State of California.

13.5. Section 13.5 – Mutual Remedies.

The failure on the part of the Mutual to avail itself of any of the remedies given under this Addendum and/or the Occupancy Agreement shall not waive nor destroy the right of the Mutual to avail itself of such remedies for similar or other breaches on the part of the Shareholder.

14. ARTICLE XIV – RIGHT TO ENTER/INSPECTION OF UNIT

14.1. Section 14.1 – Entry For Emergency.

If any director, officer, employee or agent of the Mutual or any agent or director of GRF (“Inspection Representative”), and with the approval of the Mutual, the employees of any contractor, utility company, municipal agency or others, determines that an emergency exists in or about the Unit and the Shareholder or Tenant cannot be immediately contacted to authorize entry to the Unit, then any Inspection Representative is hereby authorized by the Shareholder and Tenant, without notice, to enter the Unit to remedy the emergency.

SEAL BEACH MUTUAL NO. NINE

Addendum to Occupancy Agreement

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- 14.2. Section 14.2 – Costs of Emergency Entry.**
Any costs associated with the emergency, the entry or remedial measures shall be borne by the party or parties responsible, as shall be determined by the Board of Directors and the costs to be paid by the Shareholder shall immediately become due and payable by the Shareholder to the Mutual as a Reimbursement Assessment upon written notice to the Shareholder.

- 14.3. Section 14.3 – Entry for Non-Emergency.**
Where an emergency does not exist, the Inspection Representative, and with the approval of the Mutual, the employees of any contractor, utility company, municipal agency or others, shall enter the Shareholder's Unit only if:
 - 14.3.1.** the Shareholder consents; or
 - 14.3.2.** the Board of Directors gives the Shareholder notice, pursuant to California law, that access is required for a reasonable purpose.
 The Shareholder is responsible for communicating such consent to the Tenant.

- 14.4. Section 14.4 – Definition of “reasonable purpose”.**
“Reasonable purposes” shall include:
 - 14.4.1.** entry to access, inspect, or repair structures or systems of the Unit and/or the Community;
 - 14.4.2.** entry for the purpose of determining if the Tenant and/or Shareholder is in compliance with this Addendum, the Occupancy Agreement, and any other Governing Documents of the Mutual;
 - 14.4.3.** entry for the purpose of determining if the Shareholder and/or Tenant has ceased to occupy the premises or has otherwise abandoned the same;
 - 14.4.4.** entry for the purpose of the Board to determine, in its sole discretion, if the Shareholder and/or Tenants of the Unit have created or allowed conditions to persist that are hazardous to themselves or other Qualifying Residents, Shareholders, Tenants and residents in the Community, including but not limited to, unsanitary conditions, the overabundance and/or hoarding of items such that high fire loading conditions exist and/or ingress and egress within and to the Unit is restricted, and wellness checks; and
 - 14.4.5.** entry for the purpose of inspecting the Unit for damage, any deferred maintenance or other issues requiring immediate attention if the Unit has been abandoned. The Mutual and/or any of its agents, vendors, contractors, Board of Directors, personnel or anyone acting on behalf of the Mutual may enter such abandoned Unit to inspect for damage, deferred maintenance or other issues that may require immediate attention every three (3) months, at a minimum. The cost of such inspection and any maintenance performed pursuant to such

SEAL BEACH MUTUAL NO. NINE

Addendum to Occupancy Agreement

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inspection shall be billed back to the Shareholder of the Unit.

14.5. Section 14.5 – Time of Entry.

Entries except in cases of emergency shall be between the hours of 8:00 a.m. and 10:00 p.m.

14.6. Section 19.6 – No Refusal to Enter Unit.

The Shareholder and/or Tenant may not refuse entry to the Unit where Sections 14.1 to 14.5 apply.

15. ARTICLE XV – LIMITATION OF LIABILITY

15.1. Section 15.1 – 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 Tenant and/or any guests or invitees of Tenant.

15.2. Section 15.2 – Liability Limited.

The Shareholder expressly agrees to defend, indemnify and hold the Mutual, its agents, employees, directors, officers, committees and committee members, panels, and panel members, Shareholders, attorneys, and the like, free and harmless from any and all liability for any and all injury, damage, suits, actions, claims, demands, causes of action, liabilities, expenses, attorney’s fees, consultant fees, expert fees and costs arising from injury to persons or property caused by the action or inaction, or the failure to comply with any provisions of this Addendum, the Occupancy Agreement or the Governing Documents by the Shareholder, Tenant, or any visitor, guest or invitee.

The obligation to indemnify shall be effective even if active or passive negligence or misconduct of the Mutual contributes to the loss, claim or damage. This indemnity will not extend to: (i) claims arising from the sole negligence or sole willful misconduct of the Mutual; or (ii) claims occurring after this Addendum or the Occupancy Agreement is terminated.

The Shareholder’s obligation to defend and indemnify will be triggered when the Mutual: (i) notifies the Shareholder of any potential claim within a reasonable time (however, the failure to so notify the Shareholder shall not affect the obligations of the Shareholder); (ii) permits the Shareholder to assume any defense by appointing a conflict-free, reputable counsel who is

SEAL BEACH MUTUAL NO. NINE

Addendum to Occupancy Agreement

758 reasonably acceptable to the Mutual to be the lead counsel in connection with
759 such defense; (iii) and provides the Shareholder with the right to defend and
760 settle any claim, except in the event that a conflict exists between the Mutual
761 and the Shareholder, in such case, the Mutual shall be entitled to appoint
762 conflict-free counsel of its choice and control its defense.

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764 Prior to the Shareholder assuming control of any such defense, the
765 Shareholder shall first provide written documentation showing that: (i) the
766 Shareholder will be fully responsible for all liabilities and obligations for the full
767 indemnification of the Mutual; and (ii) the Shareholder is financially capable of
768 paying any settlement, potential judgment and/or resolution before the
769 Shareholder is entitled to take control of any defense referenced herein.
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771 **16. ARTICLE XVI – MISCELLANEOUS PROVISIONS**

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773 **16.1. Section 16.1 – Amendments to the Addendum.**

774 This Addendum may only be amended, modified or supplemented by a written
775 instrument executed by all Parties.
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777 **16.2. Section 16.2 – Oral Representation Not Binding.**

778 No representations other than those contained in this Addendum, the
779 Occupancy Agreement, or the Governing Documents of the Mutual, shall be
780 binding upon the Mutual.
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782 **16.3. Section 16.3 – Rules of Interpretation.**

783 Except as otherwise expressly provided in this Addendum, the following rules
784 shall apply hereto: (i) the singular includes the plural and plural includes the
785 singular; (ii) “or” is not exclusive and “include” and “including” are not limiting;
786 (iii) a reference to any agreement or other contract includes any permitted
787 supplements and amendments; (iv) a reference in this Addendum to a section,
788 article or exhibit is a reference to a section, article or exhibit within or attached
789 to this Addendum unless otherwise expressly provided; (v) a reference to a
790 section or article in this Addendum shall, unless the context clearly indicates to
791 the contrary, refer to all sub-parts or sub-components of any said section or
792 paragraph; (vi) words such as “hereunder,” “hereto,” “hereof,” and “herein,” and
793 other words of like import shall, unless the context clearly indicates to the
794 contrary, refer to the whole of this Addendum and not to any particular clause
795 hereof; (vii) the headings of the articles or sections and the ordering or position
796 thereof are for convenience only and shall not in any way be deemed to affect
797 the meaning of this Addendum; (viii) a reference in this Addendum to a
798 “person” or “party” (whether in the singular or the plural) shall (unless otherwise
799 indicated herein) include both natural persons and unnatural persons

SEAL BEACH MUTUAL NO. NINE

Addendum to Occupancy Agreement

(including, but not limited to, corporations, trusts, etc.); (ix) wherever the masculine is used in this Addendum, the same shall be construed as meaning the feminine where the context or the parties hereto so require; and (x) where there are two or more Shareholder parties hereto, all obligations to be performed by the Shareholder shall be deemed to be joint and several.

16.4. Section 16.4 – Successors and Assigns.

The obligations in this Agreement shall be binding upon the Shareholder, the respective heirs, executors, administrators, and successors of the Shareholder as if the same had been signed and sealed by the Shareholder. This Addendum be binding upon and ensure to the benefit of the permitted assigns of the respective parties hereto and replaces in its entirety any agreement entered into heretofore with respect to occupancy and use of the Unit.

16.5. Section 16.5 – Enforceability.

If any portion of this Addendum shall be adjudged unenforceable, it shall be severed, and the remainder of the Addendum shall remain in full force and effect.

16.6. Section 16.6 – Attorney’s Fees and Costs.

If the Shareholder defaults in performance or observance of any provision of this Addendum and/or the Occupancy Agreement (including but not limited to the actions or inactions of any Tenant, visitor, guest or invitee of the Tenant or the Shareholder), and the Mutual has obtained the services of any attorney with respect to the defaults involved, the Shareholder covenants and agrees to be responsible to the Mutual for any costs and/or fees involved, including reasonable attorney’s fees, notwithstanding the fact that a suit has not yet been instituted. In any action arising from or related to this Addendum and/or the Occupancy Agreement, the prevailing party shall be entitled to reasonable attorney’s fees and costs. “Costs” shall include all actual costs incurred, including experts’ fees and other costs which otherwise would be barred by California Code of Civil Procedure (“CCP”) section 1033.5(b) as well as costs which would be awarded as a matter of law pursuant to CCP section 1033.5(b).

16.7. Section 16.7 – Conflicting Provisions.

If any language or provisions of this Addendum should conflict with the Occupancy Agreement, this Addendum shall control.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed and sealed the day and year first above written.

SEAL BEACH MUTUAL NO. NINE

(Dec 20)

GOLDEN RAIN FOUNDATION Seal Beach, California

SEAL BEACH MUTUAL NO. NINE

Addendum to Occupancy Agreement

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By: _____

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Its: _____

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SHAREHOLDER(S): _____

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Name Printed: _____

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[End of Document]

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Document History

Adopted: XX Dec 20

Keywords: Mutual Nine Addendum Occupancy Agreement

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Member Rules of Conduct**1. PURPOSE**

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

The Rules of Conduct apply to GRF Members, Qualified Permanent Residents, Co-occupants, Renters/Lessees, Caregivers and their visitors.

2. RULES OF CONDUCT

- 2.1** Shall apply to all property held in trust by GRF (Trust Property) including, but not limited to, clubhouses, restrooms, recreational facilities (pool, golf course, multi-use courts, RV Lot, mini-farms, and library).
- 2.2** GRF Members are responsible for the actions of all those associated with their property, including the following: Qualified Permanent Residents, Co-occupants, Renters/Lessees, Caregivers, and their visitors.
- 2.3** Interactions with others must be respectful and non-abusive, both verbally and physically.

2.3.1 Behaviors such as the following is prohibited:

- 2.3.1.1** Verbal or physical violence, implied or actual (threats).
- 2.3.1.2** Personal insults and yelling.
- 2.3.1.3** Any form of discrimination.
- 2.3.1.4** Unwanted or offensive touching, filming, photography and recording.
- 2.3.1.5** Unwanted sexually suggestive language.
- 2.3.1.6** Throwing objects at another person with intent to harm or intimidate.
- 2.3.1.7** Disruptive behavior, personal attacks or harassment during GRF meetings.
- 2.3.1.8** Creating a hostile work environment for GRF staff and GRF contracted service providers.
- 2.3.1.9** Bodily odor or cleanliness that would be considered offensive and a health and safety hazard to others.
- 2.3.1.10** Willful damage to Trust Property.

Member Rules of Conduct

2.3.1.11 Non-compliance with GRF Governing Documents.

3. NON-COMPLIANCE

- 3.1** Will result in a penalty for each violation. See 30-5093-2 for schedule of fines and penalties.
- 3.2** To protect GRF, repeat offenders may be subject to legal action.
- 3.3** For offenses that are governed by City, State or Federal laws the appropriate authorities will be contacted.

4. NOTIFICATION OF VIOLATION AND RIGHT TO HEARING

See Procedure 30-5093-3 for Notification of Violation and Right to Hearing procedures.

Document History

Adopted: 26 Nov 19

Amended:

23 Dec 20

Keywords: Rules of
Conduct

SEAL BEACH MUTUAL NO. NINE

Mutual Operations – Resident Regulations

1 **LEASING RULES AND REGULATIONS**

2
3 The Board of Directors (“Board”) of Seal Beach Mutual No. Nine (“Mutual”) has adopted the
4 following Leasing Rules and Regulations (“Leasing Rules”) in accordance with Civil Code
5 §4740, et seq., to establish certain procedural rules for the rental of Units within the Mutual.
6 To the extent that these Leasing Rules conflict with the Governing Documents of the Mutual,
7 these Leasing Rules are intended to replace and supersede the provisions of the Mutual’s
8 Governing Documents, including without limitation, the Occupancy Agreement, Rules and
9 Regulations and Policies, that discuss the rental or lease of a Unit. These Leasing Rules
10 were revised and adopted by the Board to comply with the changes to California Civil Code
11 §§ 4740 and 4741 which take effect on January 1, 2021, pursuant to California Assembly Bill
12 3182.

13
14 **DEFINITIONS**

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

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

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

29
30 **Rules and Regulations**

- 31
32 **1. Leasing of Units.** The rental or leasing of any Unit shall be subject to the provisions set
33 forth herein. When the term “rent” is used herein, it shall be deemed to mean and
34 include the rental and/or leasing of a Unit.
35
36 **2. Residential Purpose.** Each residence shall be used only as a residential dwelling for a
37 single household. A Shareholder may rent/lease his or her Unit for such residential

SEAL BEACH MUTUAL NO. NINE**Mutual Operations – Resident Regulations**

38 purpose under a Lease, pursuant to these Leasing Rules. The number of persons
 39 residing in a Residence at any time shall comply with the Shareholder's Occupancy
 40 Agreement and Addendum, all City and County codes, regulations, and ordinances
 41 regarding the occupancy of residential dwellings, and may not exceed any occupancy
 42 limits established under such codes, regulations, or ordinances.

43

44 **3. Addendum to Occupancy Agreement.** Any Shareholder approved by the Mutual to
 45 lease out his/her Unit is required to execute an addendum to his/her Occupancy
 46 Agreement ("Addendum"). Such Addendum will also require the signature of each
 47 Tenant. The failure of the Shareholder and/or the Tenant to sign the Addendum shall be
 48 deemed a waiver of the Shareholder's right to rent the Unit.

49

50 **3.1. Cost of Addendum.** Shareholder shall pay the cost incurred by the Mutual for
 51 the Mutual's legal counsel to prepare such Addendum, in addition to the cost to
 52 have the Addendum notarized and recorded, if required by the Mutual,
 53 promptly upon request.

54

55 **4. Restriction on Number of Units Leased**

56

57 **4.1.** No more than twenty-five percent (25%) of the Units in the Mutual shall be
 58 rented at any time (the "Leasing Cap").

59

60 **4.2.** A Shareholder desiring to rent his or her Unit may submit to the Board a written
 61 request for approval to rent. No Shareholder shall rent his or her Unit prior to
 62 receiving written approval from the Board.

63

64 **4.2.1.** The Board shall respond to any Shareholder's written request for
 65 approval to rent the Shareholder's Unit within thirty (30) days of the
 66 Board's receipt of such request. If the Board does not respond to the
 67 Shareholder's written request at the Shareholder's last known
 68 address of record within this time period, permission to rent shall be
 deemed to have been approved by the Board.

69

70 **4.2.2.** The Board shall deny a Shareholder's request for approval to rent
 71 the Shareholder's Unit if the number of rented Units, plus the number
 72 of Units for which other Shareholders have received Board approval
 73 to rent but which are not yet rented, plus the Shareholder's Unit (the
 74 "Leased Unit Calculation") exceeds twenty-five percent (25%) of the
 75 Units in the Mutual. If the Leased Unit Calculation does not exceed
 76 twenty-five percent (25%) of the Units in the Mutual, the Board shall
 grant a Shareholder's request for rental approval.

77

78 **4.2.3.** In the event a Shareholder's request for approval to rent is denied,
 79 the Shareholder shall be placed on a waiting list maintained by the
 Mutual, and the Shareholder shall be given an opportunity to rent his

(Dec 20)

GOLDEN RAIN FOUNDATION Seal Beach, California

SEAL BEACH MUTUAL NO. NINE**Mutual Operations – Resident Regulations**

80 or her Unit when such Shareholder’s name is first on the waiting list
 81 and the Leased Unit Calculation no longer exceeds twenty-five
 82 percent (25%) of the Units in the Development.

83 **4.2.4.** If a Shareholder who has been approved to rent his or her Unit fails
 84 to rent his or her Unit within ninety (90) days of the date of rental
 85 approval, the Shareholder’s written approval to rent from the Board
 86 shall expire. In such event, the Shareholder shall be required to
 87 submit a new written request to rent his or her Unit in accordance
 88 with the foregoing provisions.

89 **4.2.5.** If a Lease for an approved rental of a Shareholder’s Unit expires or
 90 terminates and the Shareholder does not enter into a new Lease for
 91 the Shareholder’s Unit within ninety (90) days of the expiration or
 92 termination of the prior Lease, the Shareholder’s written approval to
 93 rent shall expire. In such event, the Shareholder shall be required to
 94 submit a new written request to rent his or her Unit in accordance
 95 with the foregoing provisions.

96 **4.2.6.** At no time may a prospective Shareholder or any non-Shareholder
 97 be added to the Wait List.

98
 99 **5. Lease Requirements**

100
 101 **5.1.** Subject to the Leasing Cap, and the provisions set forth above, a Shareholder
 102 may rent his or her Unit pursuant to a Lease that is: (A) in writing; (B) for a term
 103 of at least thirty (30) days (the “Minimum Lease Term”); and (C) subject in all
 104 respects to the Governing Documents, including, but not limited to, the
 105 Occupancy Agreement, provided it does not conflict with the terms contained
 106 herein.

107
 108 **5.2.** The Shareholder is required to provide the Tenant with a copy of all Governing
 109 Documents, and any amendments thereto for the duration of the tenancy and
 110 Lease and ensure that the Tenant understands and acknowledges and agrees
 111 to be bound by the same. The Shareholder must provide the Mutual with
 112 written confirmation of the foregoing. The Lease shall include a statement that
 113 any failure by the Tenant to comply with the Governing Documents will
 114 constitute a default under the Lease. The following paragraph, or a
 115 substantially similar paragraph, shall be included in each Lease: “In accepting
 116 this Lease, Tenant acknowledges that Tenant has received, read, and
 117 understands Occupancy Agreement for Unit ____, dated ____, and any
 118 addendum thereto, and the Bylaws, rules, regulations, and policies of Seal
 119 Beach Mutual No. Nine (the “Governing Documents”). Tenant agrees to comply
 120 with the terms of the Governing Documents, and acknowledges that any failure
 121 by Tenant, or Tenant’s family members, social guests, houseguests, servants,

SEAL BEACH MUTUAL NO. NINE**Mutual Operations – Resident Regulations**

122 employees, or agents, to comply with the terms of the Governing Documents
 123 shall constitute a material default under this Lease and may result in the early
 124 termination of this Lease.”

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

(Dec 20)

GOLDEN RAIN FOUNDATION Seal Beach, California

SEAL BEACH MUTUAL NO. NINE**Mutual Operations – Resident Regulations**

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6. Exemptions; Enforcement

6.1. Upon application by a Shareholder to rent his or her Unit, the Board shall be authorized and empowered, in its sole and reasonable discretion, to grant a hardship exemption for the Shareholder with respect to the Leasing Cap. For purposes of this subsection, a “hardship” shall be defined as the need of a Shareholder to rent his or her Unit as a result of an unforeseeable event and/or because enforcement of the Leasing Cap, against the Shareholder could reasonably subject the Shareholder to suffer a severe financial difficulty.

6.2. 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.

7. Notwithstanding anything to the contrary contained in these Leasing Rules, the Leasing Cap shall not apply to: (a) any Shareholder exempted from the Leasing Cap under the Davis-Stirling Act; and (b) the Mutual Unlawful Detainer.

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 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.

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

SEAL BEACH MUTUAL NO. NINE**Mutual Operations – Resident Regulations**

206 same pursuant to the Occupancy Agreement and/or Addendum thereto. Any
 207 other expenses incurred by the Mutual in connection with the enforcement of
 208 these Leasing Rules, including attorney’s fees, shall be repaid to it by such
 209 Shareholder. Failure by such Shareholder to make such repayment within (10)
 210 days after receipt of a written demand therefor shall entitle the Board to levy a
 211 Special Assessment against such Shareholder and such Shareholder’s Unit for
 212 all such expenses incurred by the Mutual.
 213

214 **7.3.** The authority granted by this Section 7 shall be cumulative with all other rights
 215 and remedies of the Mutual in enforcing its Governing Documents.
 216

217 **8. Shareholder Liability.** Shareholder shall be absolutely liable to the Mutual and other
 218 Shareholders and their families, guests, tenants, and invitees for any liability arising
 219 from the acts/or omissions of such Shareholder’s Tenant. Each Shareholder who
 220 chooses to lease such Shareholder’s Unit agrees to be held liable for all acts, whether
 221 negligent or non-negligent of such Shareholder’s Tenant and/or any guests or invitees
 222 of Tenant.
 223

224 **9. Assignment of Rents**
 225

226 **9.1. Assignment of Rents.** Each Shareholder who is leasing or renting his or her
 227 Unit to a Tenant or Tenants hereby assigns to the Mutual all of the rents and
 228 any other income now due or which may become due to Shareholder pursuant
 229 to the Lease for the Shareholder’s Unit (the “Rents”), together with any and all
 230 rights and remedies which the Mutual may have against the Tenant or Tenants,
 231 or others in possession of the Unit, for the collection or recovery of the Rents
 232 so assigned. Such assignment shall be effective only upon the Shareholder’s
 233 failure to pay any Assessment within thirty (30) days after the due date, and
 234 under no other circumstances, if the Mutual accepts such assignment.
 235

236 **9.2. Process to Effectuate Assignment of Rents.** An assignment of rents
 237 pursuant to these Leasing Rules shall only be effective if it complies with the
 238 requirements of Section 2938 of the Civil Code and any other applicable law.
 239 Any costs and fees incurred by the Mutual in effectuating an assignment of
 240 rents pursuant to these Leasing Rules shall be considered a cost of collection
 241 of delinquent Assessments, for which the applicable Shareholder shall be
 242 responsible.
 243

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

SEAL BEACH MUTUAL NO. NINE**Mutual Operations – Resident Regulations**

248 Mutual and its Directors, officers, agents, representatives, employees, and
 249 attorneys, as may be applicable, from and against any and all claims by a
 250 Tenant or any third party that the Mutual failed to fulfill the duties of landlord or
 251 lessor under any Lease for the Shareholder's Unit.

252
 253 **9.4. Payment of Rents to Mutual.** Each Shareholder irrevocably consents that the
 254 Tenant or Tenants under a Lease for the Shareholder's Unit, upon receiving
 255 from the Mutual notice of an assignment of rents pursuant to these Leasing
 256 Rules, shall pay the Rents to the Mutual without incurring any liability for the
 257 failure to determine the actual existence of any Assessment delinquency
 258 claimed by the Mutual. Each Shareholder further agrees that such Tenant or
 259 Tenants shall not be liable to the Shareholder for nonpayment of the Rents to
 260 the Shareholder for Rents paid to the Mutual pursuant to these Leasing Rules.
 261 The full amount of the Rents received by the Mutual shall be applied to the
 262 Shareholder's account; however, application of the Rents to particular
 263 Assessments and charges owed by the Shareholder to the Mutual shall be at
 264 the Mutual's discretion to the extent not dictated by law.

265
 266 **9.5. Mutual Powers Upon Default.** The Mutual may at any time pursue legal
 267 action against a Shareholder and/or the Shareholder's Tenant or Tenants for,
 268 or otherwise seek collection of, any Rents not paid to the Mutual pursuant to
 269 these Leasing Rules. The Mutual shall deduct from the Rents received in any
 270 such action the costs and expenses of collection, including, but not limited to,
 271 reasonable attorney's fees.

272
 273 **9.6. Termination of Payment of Rents to Mutual.** The Mutual may continue
 274 receiving Rents assigned directly from the Tenant or Tenants of a
 275 Shareholder's Unit until any unlawful detainer action against the subject Unit is
 276 completed by the Mutual, or until the amount of money owed to the Mutual by
 277 the Shareholder, including Assessments, late charges, interest, and collection
 278 costs, including reasonable attorney's fees, is paid in full, whichever occurs
 279 first.

10. Shareholder Insurance Requirements

280
 281
 282
 283 **10.1. Property Damage and General Liability Insurance.** Each Shareholder is
 284 responsible for insuring his or her personal property located within the Mutual.
 285 Each Shareholder is also responsible for insuring all buildings, structures, and
 286 other Improvements contained within or located upon the Shareholder's Unit
 287 (including, but not limited to the Shareholders' Residences) against fire and
 288 other casualty. Nothing in this Restate Declaration precludes any Shareholder
 289 from carrying public liability insurance as he or she may deem reasonable,

SEAL BEACH MUTUAL NO. NINE**Mutual Operations – Resident Regulations**

290 however, such insurance coverage may not adversely affect or diminish any
 291 coverage under any of the Mutual's insurance policies. If any loss intended to
 292 be covered by insurance carried by or on behalf of the Mutual occurs and the
 293 proceeds payable are reduced due to insurance carried by a Shareholder, such
 294 Shareholder shall assign the proceeds of the Shareholder's insurance to the
 295 Mutual, to the extent of such reduction, for application to the same purposes as
 296 the reduced proceeds are to be applied.
 297

298 **10.2. Renter's and Landlord's Insurance.** A Shareholder whose Unit is subject to a
 299 Lease shall require as a term of the Lease that the Tenant is required, at all
 300 times during the Tenant's tenancy and occupancy of the Shareholder's Unit, to
 301 obtain and maintain "renter's insurance" of no less than fifty thousand dollars
 302 (\$50,000.00), insuring, including without limitation, the Tenant for general
 303 liability, property damage, and the replacement value of the Tenant's personal
 304 property and belongings located in the Unit from damage and loss. Such
 305 Shareholder shall also be required to maintain "landlord's insurance" during the
 306 period of the Lease, under an insurance policy that covers the Shareholder's
 307 Unit from financial losses connected with the Unit; such policy shall cover
 308 standard perils such as fire, and, to the extent commercially available, include
 309 coverage for accidental damage, malicious damage by tenants, and rent
 310 guarantee insurance.
 311

312 **10.3. Proof of Insurance.** Duplicate copies of the insurance policies required under
 313 these Leasing Rules shall be submitted by a Shareholder to the Board upon
 314 request. Notwithstanding the foregoing, the Mutual shall not have the obligation
 315 to confirm that any Shareholder or Tenant carries the insurance required under
 316 these Leasing Rules and/or confirm the terms of any insurance purchased by a
 317 Shareholder or Tenant.
 318

319 **10.4. Lack of Insurance.** The Mutual shall not be responsible for any damage or
 320 loss to a Shareholder's Unit, another Unit, or the Common Area for which the
 321 Shareholder is responsible and the Shareholder does not maintain sufficient
 322 insurance coverage for the cost of repair and restoration of such damage or
 323 loss. Any failure by the Tenant to have renter's insurance shall be regarded as
 324 a material breach of the Lease.
 325

11. Tenant Eligibility

326
 327
 328 **11.1. No Discrimination.** No Shareholder shall execute or cause to be recorded any
 329 instrument that imposes a restriction on the rental or occupancy of the
 330 Shareholder's Unit on the basis of race, color, religion, sex, gender, gender
 331 identity, gender expression, sexual orientation, marital status, national origin,

(Dec 20)

GOLDEN RAIN FOUNDATION Seal Beach, California

SEAL BEACH MUTUAL NO. NINE**Mutual Operations – Resident Regulations**

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

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

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

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

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

13.2. Tenant is not Permitted to have overnight guests.

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

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

15. Background and Credit Checks. Shareholder may conduct a background check and a credit check prior to entering into a lease agreement with a Tenant. Should the Shareholder decide to conduct a background check and a credit check, upon demand by the Board, Shareholder must present the Board with a copy of the results of the background check and the credit check within ten (10) days of such request.

(Dec 20)

GOLDEN RAIN FOUNDATION Seal Beach, California

SEAL BEACH MUTUAL NO. NINE

Mutual Operations – Resident Regulations

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

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

16.2. 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.

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

17. 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.

Document History

Adopted: 09 Nov 20

Keywords: Mutual Resident Leasing Lease Regulations
 Nine

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MUTUAL ADMINISTRATION

Member/Owner (M/O) Renter/Lessee (R/L) – Rules

1. PURPOSE

To establish rules for the use of Trust Property by Member/Owner (M/O) and Renter/Lessee (R/L).

This policy only covers Golden Rain Foundation (GRF) requirements. The Mutuals will have their separate requirements addressed in the Mutuals' individual rules and policies.

2. GENERAL INFORMATION

Member/Owners per the occupancy Agreements for Mutuals 2-11, 14-16 and Mutual 17's CCR(s): All **Shareholder/Members are solely responsible** for the actions of their R/Ls; therefore they are solely responsible for the fines/fees and penalties incurred by their R/Ls. Fines/Fees not paid by the R/Ls and their guests will be assessed on the M/O account with the (GRF).

3. M/OS IN MUTUAL SEVENTEEN

- 3.1. All current Mutual 17 M/Os will remain under their old agreements as long as the current R/L remains in the Residential unit. When they move out the M/O will then be subject to this rule. See 40-5061-2.
- 3.2. All M/Os who rent/lease their Residential unit on or after January 1, 2021 must adhere to this new rule. See 40-5061-2.

4. R/LS IN MUTUAL SEVENTEEN

- 4.1. All current Mutual 17 R/Ls will remain under their old agreements until they move out of their Residential unit.
- 4.2. All new R/Ls in Mutual 17 on or after January 1, 2021 must follow the rules laid out in Section 7.

5. LESSOR – M/O FOR ALL MUTUALS

- 5.1. Any M/O who rents their unit in Leisure World **must** give up their use of all amenities during the time their unit is rented. When moving back into the Community their privileges will be reinstated except for the following:
 - 5.1.1. All RV leases and 1.8 acres (Mini farms) leases will be terminated the date the rental agreement takes effect. M/Os can be added to the waiting list(s) the day they move back into the Community, but no spaces will be guaranteed.



MUTUAL ADMINISTRATION

Member/Owner (M/O) Renter/Lessee (R/L) – Rules

6. THE M/OS IN ALL MUTUALS MUST DO THE FOLLOWING BEFORE THE RENTAL CAN BE COMPLETED:

- 6.1. Each M/O must pay a non-refundable STO Processing Fee. See 40-3182-2.
- 6.2. ID CARDS: Return all GRF issued ID Cards for the unit to the Stock Transfer Office (STO). Failure to return the card(s) will result in a fine. See 40-3182-2, for amount.
- 6.3. Have vehicle(s) (R/V/car/truck/golf cart/scooter/bicycle/motorcycle) decals removed by the Security Department (SD). Security will give the M/O a form with all vehicles listed at their unit, signed off by SD as confirming decals have been removed. If any of the vehicles listed have been transferred, proof of such transfer will be needed. The form is to be given to the STO. All M/O vehicles listed must be removed from the Community. Any vehicles owned by the M/O that are not removed from Trust Property, will be towed at the owner's expense.
 - 6.3.1. M/O RV Lot lease will expire the day the Residential unit lease commences, and the M/O must remove any RV's from the RV Lot within thirty (30) days of effective day of lease. Failure to remove vehicle will result in towing at owner's expense.
- 6.4. ENTRY PASSES: All GRF issued entry passes (4) assigned to this Residential unit must be returned to the STO. Failure to return will result in a fine. See 40-3182-2.
- 6.5. CAREGIVER PASSES: All GRF issued caregiver passes must be returned to the STO. Failure to return will result in a fine. See 40-3182-2.

7. THE R/L IN ALL MUTUALS MUST DO THE FOLLOWING BEFORE THE RENTAL CAN BE COMPLETED:

- 7.1. Satisfy all rules, regulations and policies for meeting the age-qualifications for residing in the community.
- 7.2. Pay in advance the GRF Trust Property Use Fee (TPUF). See 40-3182-2. All R/L moving into the community must pay the TPUF. The TPUF for 2021 is \$4,127.
- 7.3. Pay a refundable deposit per GRF ID Card. See 40-3182-2. All R/L living in the unit must have a GRF ID Card. When moving out, the deposit(s) will be returned within sixty (60) days after relinquishing the card(s).
- 7.4. Pay a refundable deposit per vehicle (R/V/car/truck/golf cart/scooter/bicycle/motorcycle) decal affixed by the Security Department (SD). All vehicles on GRF Trust Property must have a decal. Deposit(s) will be returned within sixty (60) days after decals have been removed by the SD and a form signed by the SD has been turned into the STO. See 40-3182-2 for amount.
- 7.5. The following fees must be paid prior to moving in: See 40-3182-2.



MUTUAL ADMINISTRATION

Member/Owner (M/O) Renter/Lessee (R/L) – Rules

- 7.5.1. Pet registration (if allowed by Mutual), an annual non-refundable fee per animal is required. See 40-3182-2. This includes emotional support, comfort, or service animals. See 50-1023-1 for paperwork requirements.

8. ACCESS TO COMMUNITY BY M/O

If the M/O requires access to the Community as a member of the Health Care Center (HCC) and wishes to continue as such, or to manage the M/Os affairs with his/her Residential unit (i.e. maintenance, attending to their R/L, etc.) they will need to do the following:

- 8.1. Contact the HCC to arrange access to the Community for their appointments.
- 8.2. Contact the SD to arrange temporary access to the Community for the limited purpose to attend to their Residential unit and/or R/L.

9. ANNUAL ASSESSMENT PACKAGE

When the annual packet containing next year's assessment amounts, disclosures and current year property tax amounts are mailed to M/O, there will be no entry passes included.

10. FINES

Fines can be appealed by the M/O only, by petitioning the Finance Committee (FC). If FC does not approve removing the fine and it is not paid by the M/O, the fine will be assessed on the M/Os account with GRF. Appealing the FC's decision can be made to the Community Violation Panel. (See 30-5093-3).

11. RENTER/LESSEE (R/L) IN ALL MUTUALS

The R/L will be required to follow the same GRF rules as anyone owning or living in the Community. See website lwsb.com, for all GRF rules, and the M/O is ultimately responsible for the actions and conduct of their R/Ls.

12. ADDITIONAL INFORMATION

- 12.1. To lease a space in the RV Lot, see 70-1487-1. If the R/L moves out of the Community, this vehicle will need to be removed immediately.
- 12.2. To lease a space in the 1.8 acres (Mini farms), see 70-1447-1 for leasing a space. If the R/L moves out of the Community, this lease will be terminated immediately.
- 12.3. No entry passes will be given to the R/L. All guests will need to be called in at the main gate.



MUTUAL ADMINISTRATION

Member/Owner (M/O) Renter/Lessee (R/L) – Rules

Document History

Adopted: 23 Dec 20

Keywords: Member Owner Renter Lessee

Member/Owner (M/O) and Renter/Lessee (R/L) Fines, Fees and Deposits

The following schedule of fines, fees and deposits is established by the Golden Rain Foundation (GRF) for M/Os and R/Ls. Any unpaid fines, fees or charges incurred by an R/L are the ultimate responsibility of the Member/Owner (M/O).

1. M/O FEES

Five Hundred (\$500) dollar Stock Transfer Office (STO) Rental Processing fee.

2. M/O FINES:

- 2.1 Five Hundred (\$500) dollar fine for failure to surrender each GRF ID card.
- 2.2 One Hundred (\$100) dollar fine for failure to surrender each GRF issued vehicle decal.
- 2.3 One Hundred (\$100) dollar fine for failure to surrender each GRF Entry pass.
- 2.4 One Hundred (\$100) dollar fine for failure to surrender each GRF issued caregiver pass.

3. R/L FEES:

- 3.1 GRF Trust Property Use Fee (TPUF).
 - 3.1.1 TPUF is calculated as twenty-five (25) times the monthly GRF assessment and rounded up to the nearest dollar.
 - 3.1.2 The TPUF fee starting in January 2021 is \$4,127 per person. No financing permitted.
 - 3.1.3 Any TPUF refund will be prorated over five (5) year period based on lease date. If R/L moves out before five (5) years is up the excess will be refunded within sixty (60) days after R/L moves out of the Community. No partial years will be refunded.
 - 3.1.4 If R/L moves to another rented/leased Residential unit within thirty (30) days, the TPUF will be transferred to the new Residential unit.
 - 3.1.5 If R/L purchases a Residential unit in LW within thirty (30) days after their lease expires, the TRUF will be transferred to the purchased Residential unit.
- 3.2 One Hundred (\$100) dollar annual non-refundable fee per animal registration.
 - 3.2.1 Mutual Board has the final say so on pets being allowed in the Mutual.

Member/Owner (M/O) and Renter/Lessee (R/L) Fines, Fees and Deposits

4. DEPOSITS

- 4.1** A refundable deposit of five hundred (\$500) dollars will be charged for each GRF renter ID card.
- 4.2** A refundable deposit of one hundred (\$100) dollars will be charged for each GRF renter issued vehicle decal.
- 4.3** A refundable deposit of one hundred (\$100) dollars will be charged for each GRF renter issued caregiver pass.

Document History

Adopted: 23 Dec 20

Keywords: Fine Fee Deposit Rental

SEAL BEACH MUTUAL NO. NINE**Mutual Operations – Shareholder Regulations****GOVERNING DOCUMENT COMPLIANCE CORRECTIVE MEASURES AND MONETARY PENALTIES****ENFORCEMENT POLICY AND FINE SCHEDULE ENFORCMENT 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:

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.
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 Documents which the Respondent is alleged to have violated, and inviting the Respondent to appear at a hearing before the Mutual Board to be held no sooner than fifteen (15) days from the date of the notice. The notice shall further advise the Respondent of his or her right to attend the hearing, submit a statement of defense to the Mutual Board in advance of the hearing or present a statement of defense and supporting witnesses at the hearing. If the Respondent does not attend the hearing, the Respondent waives these rights.
3. The Mutual Board shall conduct the hearing in executive session (unless requested otherwise by the Respondent) and shall afford the Respondent a reasonable opportunity to be heard.
4. If the Shareholder is found to be in violation of the Governing Documents following the hearing, the Mutual Board may do any of the following, as noted in the hearing notice:
 - 4.1. Impose a monetary fine against the Shareholder pursuant to the Fine Schedule.
 - 4.2. Levy a special reimbursement assessment against the Shareholder pursuant to the Governing Documents.

(Dec 20)

GOLDEN RAIN FOUNDATION Seal Beach, California

SEAL BEACH MUTUAL NO. NINE

Mutual Operations – Shareholder Regulations

40
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- 4.3. Declare the Shareholder to be not in good standing as set forth in these Rules.
- 4.4. Suspend **the Qualifying Resident/Shareholder’s rights to use the recreational facilities** if and as provided in the Mutual Governing Documents.
- 4.5. Any combination of the above.
- 5. Any disciplinary action taken should be recorded in the minutes of the meeting at which the disciplinary action was taken by the Mutual Board. No action against the Respondent arising from the alleged violation may take effect before five (5) days after the hearing.
- 6. The Mutual Board shall provide the Shareholder with written notice of the outcome of the hearing and any disciplinary action taken by the Mutual Board within ten (10) days after the hearing. In the case of a continuing violation, the notice of hearing decision may include a notice of a continuing fine, if authorized by the Fine Schedule, or notice of a subsequent hearing on the same violation to be held no sooner than thirty (30) days from the original hearing date, unless the violation is sooner remedied.
- 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.

FINE SCHEDULE

66
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68
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73

The Mutual Board reserves the right to revise this 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. Violations of the Mutual’s Governing Documents, including, but not limited to property alterations and/or improvements made without approval, repair and upkeep of property, unauthorized signs, and all other violations of the Mutual’s Governing Documents,** may be assessed a monetary penalty in the following amounts:

SEAL BEACH MUTUAL NO. NINE

Mutual Operations – Shareholder Regulations

Violation	1st Offense	2 nd Offense 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 \$500.00 and up to \$100.00 perday for each additional day of non-compliance, for a maximum of 20 days
Violation of Roof & Attic Access	Notice and hearing and up to \$1,000.00 and removal of unauthorized installation or non-compliant equipment, if applicable	
Violation of Mutual Occupancy Agreement & all other Rules & Regulations	Written warning	Notice and hearing and fine of up to \$100.00 and up to \$100.00 perday for each additional day of non-compliance, for a maximum of 20 days
Violation of Leasing Rules	Notice and hearing and fine of up to \$2,500.00	Notice and hearing and fine of 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

74
75

Document History

Adopted: 14 Dec 20

Keywords: Mutual Shareholder Enforcement Fine
Nine Regulations Policy Policy

76

(Dec 20)

GOLDEN RAIN FOUNDATION Seal Beach, California



STOCK TRANSFER

Notice and Disclosure

NOTICE AND DISCLOSURE

The Stock Transfer Office encourages members to discuss the benefits of a power of attorney with a competent and licensed professional. While unable to provide legal advice, long experience suggests the foregoing as means of incorporating efficiency and economy into personal, financial and estate planning.

Many individuals elect to hold their stock certificate or deed in a manner so as to avoid probate. Probate can be lengthy and expensive, and so threatens to dissipate the individual's estate. Estate planning professionals can offer various methods of holding title to stock certificate or deed(joint tenancy, in trust) so that the stock certificate or deed passes to your intended beneficiaries by operation of law upon your passing, and so avoiding the negative effect of probate.

A power of attorney allows another to act on your behalf in the management of business, finance and health. Some individuals elect to execute a power of attorney to obtain the expertise of a financial manager. Others name a trusted family member or loved one to manage their affairs in case of incapacity, when they are no longer capable of making important decisions themselves.

This Notice is not meant to advocate a particular strategy or a particular professional. Its purpose is merely to encourage a proactive discussion with a competent professional of your choosing.

I, (we) acknowledge receipt of this Notice and Disclosure regarding adding a beneficiary to our stock certificate or deed ownership.

Mutual/apartment Number: _____

Member's Signature

Date:_____

Member's Signature

Date:_____

Notice of Disclosures

Presented by:
Stock Transfer Office

December 23, 2020



STOCK TRANSFER

Notice of Disclosures

Every Mutual Corporation in Seal Beach Leisure World is a separate governing entity. Each Mutual has specific rules, regulations, and policies regarding residency, pet ownership, powers of attorney, etc. There are also rules for apartment remodeling, landscaping, and other issues relating to changes, alterations, modifications, additions, and deletions made by shareholders to their apartments, inside and outside, to include the surrounding garden areas. The purpose of this Disclosure is to clearly disseminate the boundaries and limitations set forth in policies regarding these subjects.

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Ownership

From its inception, Seal Beach Leisure World was developed as an active senior citizen Community for persons 55 years of age or older who have been qualified and approved for ownership by the Mutual Corporation. It is disclosed and acknowledged that they are to be used for residential purposes only and may not be utilized as collateral for a loan or transferred to a creditor.

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Notice of Occupancy Agreement & By-Laws Booklet

I hereby certify that a copy of the Occupancy Agreement and addendum if applicable, has been provided to me for review. I understand that I will be required to sign the Occupancy Agreement at my appointment in the Stock Transfer Office.

A By-Laws Booklet is available for your review. You will be provided with a By-Laws Booklet at the completion of your transfer.

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Property Tax Re-Evaluation

The Orange County Tax Assessor will re-evaluate, to the current market value, all property where ownership changes, as of the date of the change, and begin collection of the new taxes effective on that date. Accordingly, the Golden Rain Foundation will continue to collect taxes from you based on the old assessment value until it has other information from the Assessor's office, please note that this may result in an underpayment of taxes on your part, and an assessment being levied on you at a later date to make up for any deficiency.

(Dec 20)

GOLDEN RAIN FOUNDATION Seal Beach, California

STOCK TRANSFER

Notice of Disclosures

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Notice of Joint Tenancy Disclosure

Many shareholders desire to place a relative, loved one, friend, or fiduciary on their stock (as a resident/member joint tenant or as a non-resident joint tenant) in order to avoid probate at the time of their death, and this is permitted. A difficulty oftentimes arises at a later date if the resident goes to remove that person from the title of ownership of their Golden Rain Foundation Membership and their Mutual Share of Stock. There is no problem if the other party agrees to execute a transfer of stock ownership to the shareholder. If they do not wish to sign off via a stock transfer, this creates a problem which can and does result in litigation in Court. Of course, this is expensive and contains no certainty that the joint tenant can be removed. The Golden Rain Foundation does not make any recommendation, in any situation, that you place someone on your stock ownership as a joint tenant. These are decisions strictly to be made by you. We only give you this Notice in order for you to be aware of the potential problems in the future.

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Notice of Personal Property Insurance

In accordance with Article Nine of the Occupancy Agreement, the Mutual Corporation in which you reside will procure and pay or provide for the payment of fire insurance and extended coverage, and other insurance as required by any mortgage or property in the project, and such other insurance as the Corporation may deem advisable on the property in the project.

The Corporation will not, however, provide insurance on the Member's interest in the dwelling unit or on his personal property, to include, but not limited to clothing, jewelry, home furnishings, private artwork, etc. The Corporation will not cover any non-standard remodeling completed on the apartment, i.e. new rooms, doors, windows, clothes and dish washers, dryers, heating and air conditioning units etc. The Golden Rain Foundation and the Mutual Corporations do not procure or hold any insurance to cover your personal losses.

Please let this notice serve as an inducement to you to seek advice from auto or other insurance agents or a personal adviser as to the amount of insurance appropriate to cover

(Dec 20)

GOLDEN RAIN FOUNDATION Seal Beach, California

STOCK TRANSFER

Notice of Disclosures

your personal belongings should a catastrophic event occur. When speaking to your insurance agent, you may refer to the type of insurance needed as “(HO6) insurance.”

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**Apartment Remodeling**

It is important to note that the Mutual Corporation owns the land and the building in which a shareholder’s apartment is located and, further, that the purchase of a Mutual apartment in Seal Beach Leisure World, which is represented by one share of stock in cooperative housing, entitles the shareholder to reside in the Mutual’s apartment.

It is corporate policy that a Shareholder obtains permission from the Mutual Board before making any changes to their apartment, inside or out. Changes needing Mutual permission include, but are not limited to, hanging items on the exterior of the building or walls, planting non-authorized plants and trees, installing pet doors, remodeling of any type, and adding electric fans, dishwashers, washers and dryers, or heating and cooling systems, etc.

It is important to note that what one Mutual allows a shareholder to do in their apartment may not be allowed by another Mutual. It is, therefore, **imperative** that the shareholder always seek permission from the Mutual Board before making changes to their apartment. *For purposes of this section only, a shareholder may contact the assigned GRF Inspector in the Physical Property Department for information on what is or is not allowed by their Mutual Board.*

*I, (We), the undersigned, hereby understand that the Board of Directors of the Mutual Corporation has the **Final Authorization** as to what can and cannot be changed on the Corporation’s buildings and apartments*

Further, if you have NOT received permission from the Physical Property Department or the Mutual Board of Directors to make changes to the Mutual apartment, you will be billed for the cost the Mutual incurs to remove or replace the changes you have made.

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Parking

STOCK TRANSFER

Notice of Disclosures

Each unit is assigned one parking space for their vehicle. Please park your car in your assigned parking space in the carport. Permanently parking vehicles on the street impedes guest parking, street cleaning, and ambulance and emergency vehicle access. **There is no curb-side parking assigned to your apartment.** If you have more than one vehicle, please check with the stock Transfer Office for questions regarding the possibility of renting an empty carport.

“Paws” for Thought

Disclosure Pursuant to Policy 7501

Initial Here	Initial Here

Pet Ownership Policy

Do you currently have a pet dog which you will be bringing with you to reside in your Leisure World Apartment? **Yes** **No**

If so, does your pet dog meet the maximum 25-pound weight limit? **Yes** **No**

It has long been noted that pets provide incredible mental and physical benefits to the owners who love them. Pet policy 7501, was established to honor the member’s right to have a pet and to provide guidelines under which a member of Seal Beach Leisure World could bring a pet into the community to reside with them. This policy sets forth the rules and regulations for pet ownership, as well as the requirement that all members enter into a Pet Agreement and that their pets be registered. This policy is available online or by request in the Stock Transfer Office.

Below are a few select important facts regarding pet ownership in Leisure World:

- There is a limitation of one pet per apartment.
- Pet dogs or cats must not weigh more than twenty-five pounds at maturity.
- The dog or cat weight limit in Mutual Seventeen is twenty pounds at maturity.
- Pet restrictions prohibit certain species of the reptile family (snakes & lizards).
- Some raucous-voiced birds: parrots, cockatoos, and mynas are restricted.
- Pet dogs and cats must be on a leash no longer than 6 feet while being walked.
- There is no pet deposit due or owing to register your pet.



STOCK TRANSFER

Notice of Disclosures

- Listed below are the documents required for you to register your pet dog or cat.
- Pet dogs must be registered every January through Stock Transfer.

Requirements for Dogs	
City of Seal Beach Pet License	Yes
Proof of Spay or Neuter	Yes
Proof of Pet Inoculations	Yes
Proof of Liability Insurance	Yes
Proof of Pet Dog’s Weight	Yes

Requirements for Cats	
City of Seal Beach Pet License	No
Proof of Spay or Neuter	Yes
Proof of Pet Inoculations	No
Proof of Liability Insurance	Yes

If you should have any specific questions regarding pet registration or wish to receive a copy of Pet Policy 7501, please contact the Stock Transfer Office at (562) 431-6586, Extension 347, 348 or 339.

INDEMNIFICATION

Initial Here	Initial Here
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Indemnification

By our signatures below, it is acknowledged that the right held by the participants of this transaction to seek legal advice prior to this transfer of the ownership being completed is wholly their responsibility and right to do so.

Further it is acknowledged and understood that this disclosure document does not represent all requirements, rules, regulations and policies pertinent to living in Seal Beach Leisure World, but rather represents a compilation of issues of most interest.

Prospective Members Signature

Date

Prospective Members Signature

Date

Prospective Members Signature
(Dec 20)

Date
GOLDEN RAIN FOUNDATION Seal Beach, California

Renters/Lessees Emergency Contact Form

This Form is required annually for all Renters/Lessees

Mutual # _____ Unit # _____

Name(s): _____

Phone # _____ Cell phone # _____

Email address _____

To ensure accuracy, please print clearly

1 Contact Name:	_____	Relationship:	_____
Address:	_____	Home phone:	_____
City:	_____	Cell phone:	_____
State:	_____	Email address:	_____
Zip Code:	_____	Preferred pet contact	<input type="checkbox"/>

2 Contact Name:	_____	Relationship:	_____
Address:	_____	Home phone:	_____
City:	_____	Cell phone:	_____
State:	_____	Email address:	_____
Zip Code:	_____	Preferred pet contact	<input type="checkbox"/>

3 Contact Name:	_____	Relationship:	_____
Address:	_____	Home phone:	_____
City:	_____	Cell phone:	_____
State:	_____	Email address:	_____
Zip Code:	_____	Preferred pet contact	<input type="checkbox"/>

4 Contact Name:	_____	Relationship:	_____
Address:	_____	Home phone:	_____
City:	_____	Cell phone:	_____
State:	_____	Email address:	_____
Zip Code:	_____	Preferred pet contact	<input type="checkbox"/>

The information you provide is considered CONFIDENTIAL for emergency purposes only.

Signature

Date

Signature

Date

Return this form to the Stock Transfer Office.

If you require additional forms, contact Stock Transfer at (562) 431-6586, ext. 339, 347, or 348.

STOCK TRANSFER

50-3182-4



Decal and ID Card for Member/Owner (M/O) – Mutuals 2-11 and 14-17 Form

This form must be filled out and returned to the Stock Transfer Office (STO) before your housing unit can be rented. Member/Owner who rents their unit will lose the right to use all Amenities until they move back into their unit in the Community. See 50-3182-1

Member/Owner(s) Name: _____

Address: _____ Mutual _____ Unit #: _____

Email: _____ Phone: _____

Forwarding Address: _____

Current resident ID card and caregiver passes:

- _____ ID Card returned: (Yes) _____ (No) _____
- _____ ID Card returned: (Yes) _____ (No) _____
- _____ ID Card returned: (Yes) _____ (No) _____
- _____ ID Card returned: (Yes) _____ (No) _____
- _____ ID Card returned: (Yes) _____ (No) _____

Any M/Os GRF ID Cards that are not returned will cause a fine to be levied. See 40-3182-2.

Security Department (SD) – Cars/trucks/golf carts/motorcycles/scooters/bicycle/RV's

List of vehicles:

- _____ Decals removed: (Yes) _____ (No) _____
- _____ Decals removed: (Yes) _____ (No) _____
- _____ Decals removed: (Yes) _____ (No) _____
- _____ Decals removed: (Yes) _____ (No) _____
- _____ Decals removed: (Yes) _____ (No) _____

Security Department Name/Signature _____

All M/Os Decals that are not returned will cause a fine to be levied. See 40-3182-2.

Document History

Adopted: 23 Dec 20

Keywords: Decal ID Member Owner

STOCK TRANSFER

50-3182-4A



Decal and ID Card for Renter/Lessee (R/L) – Mutuals 2-11 and 14-17 Form

This form must be filled out and returned to the Stock Transfer Office (STO) by renter/lessee before you may rent the residential unit. See 50-3182-1 and 40-3182-2.

All ID Cards and vehicle decals must be listed and returned or a fine will be levied.

Renter/Lessee(s)

Name: _____

Address: _____ Mutual _____ Unit #: _____

Email: _____ Phone: _____

Forwarding Address: _____

Security Department (SD) – Cars/trucks/golf carts/motorcycles/scooters/bicycle/RV's

List of vehicles:

_____	Decals removed: (Yes) _____ (No) _____
_____	Decals removed: (Yes) _____ (No) _____
_____	Decals removed: (Yes) _____ (No) _____
_____	Decals removed: (Yes) _____ (No) _____
_____	Decals removed: (Yes) _____ (No) _____

Security Department Name/Signature _____

Any R/Ls decals not returned will cause a fine to be levied. See 40-3182-2.

People listed at unit including caregivers:

_____	ID Card returned: (Yes) _____ (No) _____
_____	ID Card returned: (Yes) _____ (No) _____
_____	ID Card returned: (Yes) _____ (No) _____
_____	ID Card returned: (Yes) _____ (No) _____

Any R/Ls GRF ID Cards not returned will cause a fine to be levied. See 40-3182-2.

Document History

Adopted: 23 Dec 20

Keywords: Decal ID Renter Lessee

Member/Owner (M/O) Renter/Lessee (R/L) – Rules

1. PURPOSE

To establish rules for the use of Trust Property by Member/Owner (M/O) and Renter/Lessee (R/L).

This policy only covers Golden Rain Foundation (GRF) requirements. The Mutuals will have their separate requirements addressed in the Mutuals' individual rules and policies.

2. GENERAL INFORMATION

Member/Owners per the occupancy Agreements for Mutuals 1-12, 14-16 and Mutual 17's CCR(s): All **Shareholder/Members are solely responsible** for the actions of their R/L's; therefore they are solely responsible for the fines/fees and penalties incurred by their R/L's. Fines/Fees not paid by the R/L's and their guests will be assessed on the M/O account with the (GRF).

0. M/O'S IN MUTUAL SEVENTEEN

- 3.1. All current Mutual 17 M/O's will remain under their old agreements as long as the current R/L remains in the Residential unit. When they move out the M/O will then be subject to this rule.
- 3.2. All M/O's who rent/lease their Residential unit on or after January 1, 2021 must adhere to this new rule.

1. R/L'S IN MUTUAL SEVENTEEN

- 4.1. All current Mutual 17 R/L's will remain under their old agreements until they move out of their Residential unit.
- 4.2. All new R/L's in Mutual 17 on or after January 1, 2021 must follow the rules laid out in Section 7.

2. LESSOR – M/O FOR ALL MUTUALS

- 5.1. Any M/O who rents their unit in Leisure World **must** give up their use of all amenities during the time their unit is rented. When moving back into the Community their privileges will be reinstated except for the following:
 - 5.1.1. All RV leases and 1.8 acres (Mini farms) leases will be terminated the date the rental agreement takes effect. M/O's can be added to the waiting list(s) the day they move back into the Community, but no spaces will be guaranteed.

Member/Owner (M/O) Renter/Lessee (R/L) - Rules

6. THE M/O'S IN ALL MUTUALS MUST DO THE FOLLOWING BEFORE THE RENTAL CAN BE COMPLETED:

- 6.1. Each M/O must pay a non-refundable STO Processing Fee. See 40-3182-2.
- 6.2. ID CARDS: Return all GRF issued ID Cards for the unit to the Stock Transfer Office (STO). Failure to return the card(s) will result in a fine. See 40-3182-2, for amount.
- 6.3. Have vehicle(s) (R/V/car/truck/golf cart/scooter/bicycle/motorcycle) decals removed by the Security Department (SD). Security will give the M/O a form with all vehicles listed at their unit, signed off by SD as confirming decals have been removed. If any of the vehicles listed have been transferred, proof of such transfer will be needed. The form is to be given to the STO. All M/O vehicles listed must be removed from the Community. Any vehicles owned by the M/O that are not removed from Trust Property, will be towed at the owner's expense.
 - 6.3.1. M/O RV Lot lease will expire the day the Residential unit lease commences, and the M/O must remove any RV's from the RV Lot within thirty (30) days of effective day of lease. Failure to remove vehicle will result in towing at owner's expense.
- 6.4. ENTRY PASSES: All GRF issued entry passes (4) assigned to this Residential unit must be returned to the STO. Failure to return will result in a fine. See 40-3182-2.
- 6.5. CAREGIVER PASSES: All GRF issued caregiver passes must be returned to the STO. Failure to return will result in a fine. See 40-3182-2.

7. THE R/L IN ALL MUTUALS MUST DO THE FOLLOWING BEFORE THE RENTAL CAN BE COMPLETED:

- 7.1. Satisfy all rules, regulations and policies for meeting the age-qualifications for residing in the community.
- 7.2. Pay a five (5) year prorated GRF Trust Property Use Fee (TPUF). See 40-3182-2. All R/L moving into the community must pay the TPUF. The TPUF for 2021 is \$4,127.
- 7.3. Pay a refundable deposit per GRF ID Card. See 40-3182-2. All R/L living in the unit must have a GRF ID Card. When moving out, the deposit(s) will be returned within sixty (60) days after relinquishing the card(s).
- 7.4. Pay a refundable deposit per vehicle (R/V/car/truck/golf cart/scooter/bicycle/motorcycle) decal affixed by the Security Department (SD). All vehicles on GRF Trust Property must have a decal. Deposit(s) will be returned within sixty (60) days after decals have been removed by the SD and a signed form by the SD has been turned into the STO. See 40-3182-2 for amount.
- 7.5. The following fees must be paid prior to moving in: See 40-3182-2.

Member/Owner (M/O) Renter/Lessee (R/L) – Rules

7.5.1. Pet registration (if allowed by Mutual), an annual non-refundable fee per animal is required. See 40-3182-2. This includes emotional support, comfort, or service animals. See 50-1023-1 for paperwork requirements.

8. ACCESS TO COMMUNITY BY M/O

If the M/O requires access to the Community as a member of the Health Care Center (HCC) and wishes to continue as such, or to manage the M/O's affairs with his/her Residential unit (i.e. maintenance, attending to their R/L, etc.) they will need to do the following:

- 8.1. Contact the HCC to arrange access to the Community for their appointments.
- 8.2. Contact the SD to arrange temporary access to the Community for the limited purpose to attend to their Residential unit and/or R/L.

9. ANNUAL ASSESSMENT PACKAGE

When the annual packet containing next year's assessment amounts, disclosures and current year property tax amounts are mailed to M/O, there will be no entry passes included.

10. FINES

Fines can be appealed by the M/O only, by petitioning the Finance Committee (FC). If FC does not approve removing the fine and it is not paid by the M/O, the fine will be assessed on the M/O's account with GRF. Appealing the FC's decision can be made to the Community Violation Panel. (See 30-5093-3).

11. RENTER/LESSEE (R/L) IN ALL MUTUALS

The R/L will be required to follow the same GRF rules as anyone owning or living in the Community. See website lwsb.com, for all GRF rules, and the M/O is ultimately responsible for the actions and conduct of their R/L's.

12. ADDITIONAL INFORMATION

- 12.1. To lease a space in the RV Lot, see 70-1487-1. If the R/L moves out of the Community, this vehicle will need to be removed immediately. Any monies for the months remaining on the R/L's lease will be returned to the R/L within sixty (60) days.
- 12.2. To lease a space in the 1.8 acres (Mini farms), see 70-1447-1 for leasing a space. If the R/L moves out of the Community, this lease will be terminated immediately. Any monies for the months remaining on the R/L's lease will be returned to the R/L within sixty (60) days.

Member/Owner (M/O) Renter/Lessee (R/L) – Rules

- 12.3. No entry passes will be given to the R/L. All guests will need to be called in at the main gate.

Document History

Adopted: XX XXX 20

Keywords: Member Owner Renter Lessee

GRF Identification Cards

1. PURPOSE

To provide rules for the issuance of GRF Identification Cards.

2. GRF IDENTIFICATION CARDS

GRF identification cards will be issued by the Stock Transfer Office with authorization from the Stock Transfer Manager and/or the Executive Director. GRF identification cards are for the use of residents only. Use by anyone other than the Member, Co-occupant, Qualified Permanent Resident, Renter/Lessee to whom the identification card is issued is strictly prohibited. The ID card will be renewed every five (5) years, upon the surrender of the old ID card. GRF identification cards will be issued to the following persons:

- 2.1. All members of the Golden Rain Foundation as shown in the stock records of the Stock Transfer Office.
- 2.2. Qualified Permanent Residents, as shown in the records of the Stock Transfer Office.
- 2.3. Co-Occupants who reside with resident stockholders as shown in the records of the Stock Transfer Office. When the status of a Co-Occupant ceases, the GRF identification card must be surrendered to the Stock Transfer Office.

3. RENTER/LESSEE ID CARDS

- 3.1. All approved Renter/Lessees will receive a one-year ID Card.
- 3.2. A refundable deposit will be charged. See 40-3182-2

4. LOST OF STOLEN CARD

For lost or stolen GRF identification cards, Members, Co-occupants, or Renter/Lessee may obtain a replacement card by:

- 4.1. Personally, completing a “Certificate of Lost ID” form in the Stock Transfer Office
 - 3.1.1. The fee may be waived if Member, Co-occupant, Renter/Lessee produces a Police Report that can be verified by the Stock Transfer Office.

5. WAIVER OF FEES

Waiving of fee or fees is at the sole discretion of the Finance Committee.

GRF Identification Cards

Document History

Adopted:	19 Sep 72	Amended:	19 Dec 72	Amended:	16 Apr 85
Amended:	19 Dec 89	Amended:	31 Jan 95 (effective 2-1-95)	Amended:	20 Feb 01
Amended:	19 Nov 02	Amended:	22 July 14	Amended:	27 Dec 16
Amended:	26 Sep 17	Amended:	26 Mar 19	Amended:	23 Jul 19
Amended:	09 Sept 19	Amended:	23 Dec 20		

Keywords: ID Card Identification Card Membership Card Deposit



Seal Beach Mutual _____

GRF Lease Information – 2021

Mutual: _____ Unit #: _____ Address: _____

Current Shareholder/Owner or Legal Representative's* Information

Name:	
Mailing Address:	
Telephone #	()
Cell Phone #	()
Lessor above is:	Check box that applies: Current Shareholder/Owner <input type="checkbox"/> Successor Trustee <input type="checkbox"/> Power of Attorney <input type="checkbox"/> Court Ordered Executor <input type="checkbox"/>
* If you are legally representing a Mutual Shareholder/Owner, please provide the Stock Transfer Office a copy of your legal document(s) giving you legal authority.	

#1 Renter/Lessee's Information

Name:	
Telephone #	()
Cell Phone #	()

Renter/Lessee Emergency Contact

Name:	Relationship:
Telephone Number: ()	
Cell Phone Number: ()	

#2 Renter/Lessee's Information

Name:	
Telephone #	()
Cell Phone #	()

Renter/Lessee Emergency Contact

Name:	Relationship:
Telephone Number: ()	
Cell Phone Number: ()	



Leasing Regulations

- 1. LESSEE must be at least 55 years of age. CO-LESSEE age 45 or older may occupy unit with qualifying LESSEE upon approval.
- 2. LESSEE(S) shall provide a fully executed ORIGINAL copy of this lease agreement to the Stock Transfer Office.
- 3. Must follow all GRF Rules and Regulations.
- 4. Must pay prior to moving in, all fees and deposits.

Leasing Rules, Fees and Deposits for GRF

- 1. See Policy 50-3182-1 for GRF Rules.
- 2. See Policy 40-3182-2 for Fees and deposits amounts.

Indemnification

FOUNDATION MEMBER or LEGAL REPRESENTATIVE and LESSEE(S) hereby agree to abide by all of the rules, regulations and governing documents of the Mutual Corporation and shall hold harmless and indemnify the Golden Rain Foundation and the Mutual Corporation and their representatives and employees for any damages caused by the LESSEE(S). Failure to comply shall be grounds for revocation of the right to lease and the cancellation of the Lease Agreement. I, (We) Foundation Members and LESSEE(S) for the above unit hereby understand and agree to abide by the terms of this Lease agreement with Mutual Corporation and the Golden Rain Foundation. Initials of all parties ____/____/____/____.

Executing Signatures

Shareholder/Owner Signature:	Date:
Shareholder/Owner Signature:	Date:
1. Renter/Lessee Signature:	Date:
2. Renter/Lessee Signature:	Date:

Mutual _____ Board Approval
 Approved Disapproved

Received by GRF Board:

By: _____

By: _____

Date: _____

Date: _____



ADMINISTRATION

Glossary of Terms

- 1
- 2 1. **ACTIVE ADULT COMMUNITY:** A residential community with recreational and
- 3 educational activities for active senior adults. Assisted living, independent, and
- 4 skilled nursing services are NOT provided.
- 5
- 6 2. **AGE RESTRICTED COMMUNITY:** A residential community for senior adults
- 7 aged 55 or over under applicable State and Federal law.
- 8
- 9 3. **AMENITIES FEE:** A one-time fee paid to GRF for use of Trust Property, facilities,
- 10 and amenities.
- 11
- 12 4. **ASSESSMENT:** A monthly or special payment paid by the Member to GRF
- 13 and/or the Mutual in accordance with the law and governing documents.
- 14
- 15 5. **BUDGET:** Estimate of income and expenses for a given time.
- 16
- 17 6. **BYLAWS:** One of the governing documents that pertains to matters such as
- 18 membership meetings, voting rights, elections, meetings of the Board of
- 19 Directors, appointment of officers, and similar administrative matters.
- 20
- 21 7. **CAPITAL FUNDS:** Monies set aside for the purchase of capital or fixed assets.
- 22
- 23 8. **CAREGIVER:** Person providing physical support to a qualified resident.
- 24
- 25 9. **CC&RS:** Covenants, Conditions, and Restrictions (Mutual 17).
- 26
- 27 10. **COMMON AREA:** Describes that portion of a real estate development that is
- 28 shared with respect to both use and title.
- 29
- 30 11. **CONDOMINIUM OR CONDOMINIUM UNIT:** Single, individually – owned
- 31 housing unit in a multi-unit building (Mutual 17 only).
- 32
- 33 12. **CO-OCCUPANT:** Approved person residing with the stockholder or condominium
- 34 owner.
- 35
- 36 13. **COOPERATIVE HOUSING:** An arrangement in which an association or
- 37 corporation owns a group of housing units and the common areas for the use of
- 38 all the residents (Mutuals 1–12 and 14–16).
- 39
- 40 14. **COVENANTS:** Formal agreements or promises set forth in a deed or Occupancy
- 41 Agreement.
- 42
- 43 15. **DEFAULT:** Failure to do something required by duty, law, or governing
- 44 documents.



ADMINISTRATION

Glossary of Terms

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16. **DWELLING UNIT OR UNIT:** Residential units located within Seal Beach Leisure World (See Unit).
17. **ELIGIBILITY:** Satisfying the conditions for qualifying to reside within Seal Beach Leisure World (May be different in each Mutual).
18. **EMOTIONAL SUPPORT ANIMAL:** Animals that provide a sense of safety, companionship, and comfort to those with psychiatric or emotional disabilities or conditions. California Civil Code 54.1.
19. **ESCROW:** Process under which something such as a deed or money is put in the custody of a neutral third party until certain conditions are met.
20. **EXCLUSIVE USE COMMON AREA:** Common Area designated for the exclusive use of one or more, but fewer than all of the Members
21. **GOLDEN RAIN FOUNDATION (GRF):** Is a nonprofit corporation that holds in trust, operates, and maintains the Trust Property facilities, streets and other certain improvements and amenities within the geographic area identified as Seal Beach Leisure World, for the benefit of the Members. GRF, under a management agreement, provides certain services to the Mutuels, such as administrative, financial, maintenance, and security.
22. **GOVERNING DOCUMENTS:** Articles of Incorporation, Bylaws, Occupancy Agreement, CC&Rs, and any other documents, and operating rules, which govern the operation of the associations.
23. **GUEST:** See "Visitor".
24. **LANDLORD TENANT RELATIONSHIP:**
- 24.1. Relationship between the Mutual stock co-operatives and the Members (Mutual 1- 12 and 14-16).
- 24.2. Relationship where a Member leases the Unit to another qualified person. ~~(Mutual 17 only).~~
25. **LEISURE WORLD:** A geographic location within Seal Beach, California.
26. **MEMBER:**
- 26.1. GRF Member - is a stockholder or condominium owner in Seal Beach Leisure World.
- 26.2. Mutual Member –



ADMINISTRATION

Glossary of Terms

- 133 applicable State and Federal law.
 134
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 136 **42. RENTER/LESSEE:** Non-Owner leasing a residential unit.
 137
 138 **43. RESERVES AND/OR RESERVE FUND:** Monies set aside and identified for
 139 future repairs, replacements, or additional components.
 140
 141 **44. RESIDENTIAL PURPOSES:** To be used as a private dwelling and for no other
 142 purpose.
 143
 144 **45. SECURITY:** Services provided for the benefit of residents pursuant to GRF
 145 Policy 3050- 37.
 146
 147 **46. SERVICE ANIMAL:** An animal that is trained and certified to do work or perform
 148 tasks for an individual with a disability. See Civil Code 54.1.
 149
 150 **47. SHAREHOLDER/STOCKHOLDER:** Member to whom a Stock Certificate has
 151 been issued (Mutual 1-12 and 14-16).
 152
 153 **48. STOCK CERTIFICATE:** Legal document evidencing ownership in the
 154 corporation (Mutual 1-12 and 14-16).
 155
 156 **49. TITLE:** Legal document showing ownership rights in property (Mutual 17).
 157
 158 **50. TRANSFER:** Changing ownership of a Stock Certificate for a Mutual Dwelling
 159 Unit.
 160
 161 **51. TRUST:**
 162
 163 **51.1.** Relating to GRF: A legal document granting GRF the power, authority,
 164 and duty to manage and govern property held in common by the
 165 Mutuals.
 166 **51.2.** Relating to Shareholder/Member: Legal document in which real and
 167 personal property is held and administered by the assigned Trustee(s).
 168
 169 **52. TRUST PROPERTY USE FEE (TPUF):** Fee paid by the Renter/Lessee to GRF
 170 for use of all amenities.
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 172 **53. TRUSTEE:** The person who has a legal duty to manage the Trust's assets in the
 173 best interests of the beneficiary(s).
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 175 **54. TRUST PROPERTY:** Property held in common for the use and benefit of the
 176 Members and administered by The Golden Rain Foundation.



ADMINISTRATION

Glossary of Terms

- 177
 178 **55. UNIT OR DWELLING UNIT:** Residential units located within Seal Beach Leisure
 179 World.
 180
 181 **56. VISITOR:** A person invited by a Member to visit the Unit. Visitors may not stay
 182 longer than 60 days in a twelve-month period and have very limited use of GRF
 183 facilities/amenities and must be accompanied by resident.
 184

Document History

Adopted: 24 Apr 18	Amended: 23 Oct 18	Amended: 23 Jul 19
Amended: 23 Dec 20		

Keywords: Glossary Definition
 185



MUTUAL ADMINISTRATION

Member/Owner (M/O) Renter/Lessee (R/L) – Rules

1. PURPOSE

To establish rules for the use of Trust Property by Member/Owner (M/O) and Renter/Lessee (R/L).

This policy only covers Golden Rain Foundation (GRF) requirements. The Mutuals will have their separate requirements addressed in the Mutual's individual rules and policies.

2. GENERAL INFORMATION

Member/Owners per the occupancy Agreements for Mutuals 2-11, 14-16 and Mutual 17's CCR(s): All **Shareholder/Members are solely responsible** for the actions of their R/Ls; therefore they are solely responsible for the fines/fees and penalties incurred by their R/Ls. Fines/Fees not paid by the R/Ls and their guests will be assessed on the M/O account with the (GRF).

3. M/OS IN MUTUAL SEVENTEEN

3.1. All current Mutual 17 M/Os will remain under their old agreements as long as the current R/L remains in the Residential unit. When they move out the M/O will then be subject to this rule. See 40-5061-2.

3.2. All M/Os who rent/lease their Residential unit on or after January 1, 2021 must adhere to this new rule. See 40-5061-2.

4. R/LS IN MUTUAL SEVENTEEN

4.1. All current Mutual 17 R/Ls will remain under their old agreements until they move out of their Residential unit.

4.2. All new R/Ls in Mutual 17 on or after January 1, 2021 must follow the rules laid out in Section 7.

5. LESSOR – M/O FOR ALL MUTUALS

5.1. Any M/O who rents their unit in Leisure World **must** give up their use of all amenities during the time their unit is rented. When moving back into the Community their privileges will be reinstated except for the following:

5.1.1. All RV leases and 1.8 acres (Mini farms) leases will be terminated the date the rental agreement takes effect. M/Os can be added to the waiting list(s) the day they move back into the Community, but no spaces will be guaranteed.



MUTUAL ADMINISTRATION

Member/Owner (M/O) Renter/Lessee (R/L) – Rules

6. THE M/Os IN ALL MUTUALS MUST DO THE FOLLOWING BEFORE THE RENTAL CAN BE COMPLETED:

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- 6.1. Each M/O must pay a non-refundable STO Processing Fee. See 40-3182-2.
- 6.2. ID CARDS: Return all GRF issued ID Cards for the unit to the Stock Transfer Office (STO). Failure to return the card(s) will result in a fine. See 40-3182-2, for amount.
- 6.3. Have vehicle(s) (R/V/car/truck/golf cart/scooter/bicycle/motorcycle) decals removed by the Security Department (SD). Security will give the M/O a form with all vehicles listed at their unit, signed off by SD as confirming decals have been removed. If any of the vehicles listed have been transferred, proof of such transfer will be needed. The form is to be given to the STO. All M/O vehicles listed must be removed from the Community or be registered to the new unit. Any vehicles owned by the M/O that are not removed from Trust Property, **will be towed at the owner's expense**.
- 6.3.1. M/O RV Lot lease will expire the day the Residential unit lease commences, and the M/O must remove any RV's from the RV Lot within thirty (30) days of effective day of lease. Failure to remove vehicle will result in towing at owner's expense.
- 6.4. ENTRY PASSES: All GRF issued entry passes (4) assigned to this Residential unit must be returned to the STO. Failure to return will result in a fine. See 40-3182-2.
- 6.5. CAREGIVER PASSES: All GRF issued caregiver passes must be returned to the STO. Failure to return will result in a fine. See 40-3182-2.

7. THE R/L IN ALL MUTUALS MUST DO THE FOLLOWING BEFORE THE RENTAL CAN BE COMPLETED:

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- 7.1. Satisfy all rules, regulations and policies for meeting the age-qualifications for residing in the Ccommunity.
- 7.2. -Pay in advance the GRF Trust Property Use Fee (TPUF). See 40-3182-2. All R/L moving into the Ccommunity must pay per person the TPUF. The TPUF for 2021 is \$4,127.
- 7.3. -Pay a refundable deposit per GRF ID Card. See 40-3182-2. All R/L living in the unit must have a GRF ID Card. When moving out, the deposit(s) will be returned within sixty (60) days after relinquishing the card(s).
- 7.4. -Pay a refundable deposit per vehicle (R/V/car/truck/golf cart/scooter/bicycle/motorcycle) decal affixed by the Security Department (SD). All R/L vehicles on GRF Trust Property must have a decal. Deposit(s) will be returned within sixty (60) days after decals have been removed by the SD and a form signed by the SD has been turned into the STO. See 40-3182-2 for amount.
- 7.5. The following All fees and deposits must be paid prior to moving in: See 40-3182-2.



MUTUAL ADMINISTRATION

Member/Owner (M/O) Renter/Lessee (R/L) – Rules

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88 7.5.1. Pet registration (if allowed by Mutual), an ~~an annual~~ non-refundable fee per
89 animal is required. See 40-3182-2. This includes emotional support,
90 comfort, or service animals. See 50-1023-1 for paperwork requirements.

8. CO-OCCUPANT SEEKING TO RENT

Any current Co-occupant seeking to rent a residential unit must change their status to qualify as an R/L. See STO for procedures. See 40-3182-2 for fees and deposits.

8-9. ACCESS TO COMMUNITY BY M/O

99 If the M/O requires access to the Community as a member of the Health Care Center
100 (HCC) and wishes to continue as such, or to manage the M/Os affairs with ~~their his/her~~
101 Residential unit (i.e. maintenance, attending to their R/L, etc.) they will need to do the
102 following:

103 8-1-9.1. Contact the HCC to arrange access to the Community for their appointments.

104 8-2-9.2. Contact the SD to arrange temporary access to the Community for the limited
105 purpose to attend to their Residential unit and/or R/L.

9-10. ANNUAL ASSESSMENT PACKAGE

109 When the annual packet containing next year's assessment amounts, disclosures and
110 current year property tax amounts are mailed to M/O, there will be no entry passes included.

10-11. FINES

111 Fines can be appealed by the M/O only, by petitioning the Finance Committee (FC). If FC
112 does not approve removing the fine and it is not paid by the M/O, the fine will be assessed
113 on the M/Os account with GRF. Appealing the FC's decision can be made to the Community
114 Violation Panel. (See 30-5093-3).

11-12. RENTER/LESSEE (R/L) IN ALL MUTUALS

115 The R/L will be required to follow the same GRF rules as anyone owning or living in the
116 Community. See website lwsb.com, for all GRF rules, and the M/O is ultimately responsible
117 for the actions and conduct of their R/Ls.

12-13. ADDITIONAL INFORMATION

118 12-1-13.1. To lease a space in the RV Lot, see 70-1487-1. If the R/L moves out of the
119 Community, this vehicle will need to be removed immediately.



MUTUAL ADMINISTRATION

Member/Owner (M/O) Renter/Lessee (R/L) – Rules

130 **12.2.13.2.** To lease a space in the 1.8 acres (Mini farms), see 70-1447-1 for leasing a
131 space. If the R/L moves out of the Community, this lease will be terminated
132 immediately.

133 **12.3.13.3.** No entry passes will be given to the R/L. All guests will need to be called in
134 at the main gate.

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Document History

Adopted: 23 Dec 20

Keywords: Member Owner Renter Lessee

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MUTUAL ADMINISTRATION

Member/Owner (M/O) Renter/Lessee (R/L) – Rules

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FINANCE

Member/Owner (M/O) and Renter/Lessee (R/L) Fines, Fees and Deposits

The following schedule of fines, fees and deposits is established by the Golden Rain Foundation (GRF) for M/Os and R/Ls. Any unpaid fines, fees or charges incurred by an R/L are the ultimate responsibility of the Member/Owner (M/O).

1. M/O FEES

Five Hundred (\$500) dollar Stock Transfer Office (STO) Rental Processing fee.

2. M/O FINES:

2.1 Five Hundred (\$500) dollar fine for failure to surrender each GRF ID card.

2.2 One Hundred (\$100) dollar fine for failure to surrender each GRF issued vehicle decal.

2.3 One Hundred (\$100) dollar fine for failure to surrender each GRF Entry pass.

2.4 One Hundred (\$100) dollar fine for failure to surrender each GRF issued caregiver pass.

3. R/L FEES:

3.1 GRF Trust Property Use Fee (TPUF).

3.1.1 TPUF is calculated as twenty-five (25) times the monthly GRF assessment and rounded up to the nearest dollar.

3.1.2 The TPUF fee starting in January 2021 is \$4,127 per person. No financing permitted.

3.1.3 Any TPUF refund will be prorated over five (5) year period based on lease date. If R/L moves out before five (5) years is up the excess will be refunded within sixty (60) days after R/L moves out of the Community. No partial years will be refunded.

3.1.4 If R/L moves to another rented/leased Residential unit within thirty (30) days, the TPUF will be transferred to the new Residential unit.

3.1.5 If R/L purchases a Residential unit in LW within thirty (30) days after their lease expires, the ~~TPUF~~ will be transferred to the purchased Residential unit as payment of the GRF membership fee.

3.2 One Hundred (\$100) dollar ~~annual~~ non-refundable fee per animal registration.



Arts and Crafts Festival

1. PURPOSE

An annual Arts and Crafts Festival is authorized to be held in one of the clubhouses on a Friday and Saturday in November. The Festival shall be open from 9:00 am to 3:00 pm on Friday, and from 9:00 am to 2:00 pm on Saturday, with the understanding that booths are to remain open until closing time unless sold out or by permission of the Recreation Manager.

- 1.1.** Operations of the Festival will be under the direction and administration of the Recreation Manager.
- 1.2.** The Recreation Manager is authorized to publish detailed rules and regulations for the operation of the Festival. These rules and regulations shall include a formal "Seller's Statement" form. (See ~~Policy 70-1482-450~~).
- 1.3.** All income from the Festival shall be treated as miscellaneous income of the Recreation Department and deposited in the account of the Golden Rain Foundation (GRF) upon receipt.
- 1.4.** The Recreation Department will submit a report of the Festival activities to the Recreation Committee at the close of the Festival.

2. ARTS AND CRAFTS FESTIVAL REGULATIONS

- 2.1.** All items for sale at the Festival must have been made by the seller. Manufactured articles are prohibited.
- 2.2.** Each seller is required to be a member of GRF, co-occupant, ~~and co-occupant~~ or a renter ~~in Mutual Seventeen~~.
- 2.3.** Sign-ups and table selection shall be made on a first-come, first-serve basis at a scheduled meeting in Clubhouse Two (2) prior to opening day. The time and place of the sign-ups and table selection shall be published in the LW Weekly. Table requests made after the sign-up day will be processed in the Recreation Office. All fees are payable at the time of reservation.
- 2.4.** Exchanging assigned tables between sellers will not be permitted without approval of the Recreation Manager.
- 2.5.** The charge to sellers for tables will be determined by the Recreation Manager and approved by the Recreation Committee.
- 2.6.** All sellers shall turn in the total amount of their sales, whether their product is taxable or non-taxable.
- 2.7.** Sellers of taxable items shall be required to turn in their sales tax in the envelope provided for that purpose. State law requires that this tax be paid.

RECREATION

70-1480-1



Arts and Crafts Festival

40
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42
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44
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- 2.8. In order to avoid misunderstanding, each individual or group who sells items at the Festival shall be required to sign a statement whereby they agree to comply with the rules that apply to sellers. (See [Policy-70-1482-150](#).)
- 2.9. The Recreation Manager shall be authorized to hire workers to perform necessary labor for the Festival.

Document History

Adopted:	16 May 72	Amended:	08 Feb 83	Amended:	19 Feb 85
Amended:	19 May 87	Amended:	17 Feb 06	Amended:	28 Apr 15
Amended:	22 Aug 17	Amended:	23 Jul 19		

Keywords: Arts Crafts Festival Sellers Recreation

46



Seal Beach Mutual Seventeen

Lease Information – 2021 (Current before January 1, 2021)

Mutual: _____ Unit #: _____

Current Homeowner's or Legal Representative's* Information

Name:	
Current Address:	
Telephone #	()
Cell Phone #	()
Lessor above is:	Check box that applies: Current Homeowner <input type="checkbox"/> Successor Trustee <input type="checkbox"/> Power of Attorney <input type="checkbox"/> Court Ordered Executor <input type="checkbox"/>

*** = If you are legally representing a Mutual Seventeen homeowner, please provide the Stock Transfer Office a copy of your legal document(s) giving you legal authority.**

#1 Renter/Lessee's Information

Name:	
Telephone #	()
Cell Phone #	()

Renter/Lessee's Emergency Contact

Name:	Relationship:
Telephone Number: ()	
Cell Phone Number: ()	

#2 Renter/Lessee's Information

Name:	
Telephone #	()
Cell Phone #	()

Renter/Lessee's Emergency Contact

Name:	Relationship:
Telephone Number: ()	
Cell Phone Number: ()	



Terms of Agreement – Mutual 17 Policy 17-7560-1 Leasing Regulations

1. LESSEE must be at least 55 years of age. CO-LESSEE age 45 or older may occupy unit with qualifying LESSEE upon approval.
2. LESSEE(S) must enter into a lease agreement of not less than one (1) year renewable every year thereafter.
3. LESSEE(S) shall renew this Lease Agreement annually on the first (1st) of January.
4. LESSEE(S) understands that the GRF Photo-ID Card allows them the use and enjoyment of GRF facilities.
5. LESSEE(S) shall provide a fully executed ORIGINAL copy of this lease agreement to the Stock Transfer Office.
6. No more than two (2) people may lease/occupy the unit.

(<http://www.lwsbmual17.com/policies/>)

Lessee Annual Fee – GRF Policy 40-5061-2 Fees

1. The GRF annual lessee fee is a required use fee for access to the community facilities, amenities, and participation in GRF activities. The GRF annual lessee fee is calculated at 25% of the GRF annual assessment rounded up to the nearest dollar for each occupant.
2. LESSEES shall pay the one-time payment of the amenities fee for 2021 in the amount of **\$496.00** for issuance of a Golden Rain Foundation Photo-ID Card.
3. The required GRF annual lessee fee is due and payable in full on the date of the lease agreement.
4. As an existing renter/lessee of a title holder within Mutual 17, you are exempt (grandfathered) and will remain under 40-5061-2 Fees (copy attached).
5. If there is a change in either the title holder of record or the lessee of record for the unit you will lose your grandfathered status. See 50-3182-1.

Indemnification

FOUNDATION MEMBER or LEGAL REPRESENTATIVE and LESSEE(S) hereby agree to abide by all of the rules, regulations and policies promulgated by the Mutual **Seventeen** Corporation, as well as the conditions set forth in the Bylaws and **CC&Rs** of Mutual **Seventeen** Corporation; and shall hold harmless and indemnify the Golden Rain Foundation and the Mutual **Seventeen** Corporation and their representatives and employees for any damages caused by the LESSEE(S). Failure to comply shall be grounds for revocation of the right to lease and the cancellation of this Lease Agreement. I, (We) Foundation Members and LESSEE(S) for the above unit hereby understand and agree to abide by the terms of this Lease agreement with Mutual **Seventeen** Corporation and the Golden Rain Foundation. Initials of all parties: _____ / _____ / _____ / _____.

Executing Signatures

Homeowner’s Signature:	Date:
Homeowner’s Signature:	Date:
1. Lessee’s Signature:	Date:
2. Lessee’s Signature:	Date:

STOCK TRANSFER

50-1641-4



Mutual **Seventeen** Board Approval
Approved Disapproved

Received by GRF Board:

By: _____

By: _____

Date: _____

Date: _____