

A G E N D A
REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL TWO
Administration Building Conference Room, 9:00 a.m.
January 19, 2017

1. CALL TO ORDER, *Pledge of Allegiance*
2. ROLL CALL
3. GRF REPRESENTATIVES, GUEST(S), AND STAFF INTRODUCTION:
Ms. Snowden, GRF Representative / Mr. Pratt, GRF Representative
Ms. Hopkins, Mutual Administration Director
Mr. Kranda, Building Inspector
Mrs. Aquino, Recording Secretary
4. APPROVAL OF MINUTES: **Regular Monthly Meeting of November 17, 2016**
5. SHAREHOLDER COMMENTS (2-3 minutes)
6. BUILDING INSPECTOR'S REPORT (Pages 2-4) Mr. Kranda
7. GRF REPRESENTATIVE'S Ms. Snowden, Mr. Pratt
8. MUTUAL ADMINISTRATION DIRECTOR Ms. Hopkins
10. OLD BUSINESS –
 - a. Ratify Policy 7421.2 – Building Alterations (Pages 5-10) Ms. Keller
 - b. Ratify Policy 7425.2 – Landscape Areas Trees, Shrubs (11-19) Ms. Keller
 - c. Ratify Policy 7582.2 – Towing Vehicles (Pages 20-21) Ms. Keller
 - d. Ratify Policy 7591.2 – Unmanned Aerial Flight Vehicles (Drones) (Page 22) Ms. Keller
 - e. Amend Policy 7415.2 – Patio Regulations (Pages 23-26) Ms. Keller
 - f. Roofing and Painting updates Mr. MacLaren
11. NEW BUSINESS –
 - a. Property Tax Postponement Program Ms. Baker
 - b. Rescind Policy 7760 – Property Tax Postponement (Page 27) Ms. Baker
 - c. Caregivers – Discussion Ms. Baker
 - d. Bids for area 28/61 Ms. Esslinger
 - e. Surveillance Cameras Policy 7595.2 – Surveillance Cameras (Page 28) Ms. Keller
 - f. Exceptions to garden pre-paint by letter for Board Approval Mrs. MacLaren
 - g. Tree contract–Annual review Mrs. MacLaren
 - h. Entry Way at 9 B & C Ms. Baker
 - i. Motion to continue to receive other Mutual's Minutes
 - j. Notice of Intent to Withdraw – Request for Mutual Board Resolution

STAFF BREAK (TIME TO BE DETERMINED BY PRESIDENT)

12. CHIEF FINANCIAL OFFICER'S REPORT Ms. Sporcich
13. DIRECTOR(S)' COMMENTS Board
14. ADJOURNMENT
15. EXECUTIVE SESSION (legal, member, shareholder issues as required)

(STAFF WILL LEAVE THE MEETING BY 12:10 p.m.)
NEXT MEETING: February 16, 2017 at 9:00 a.m.
Mutual Administration Building Conference Room A

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL (02) TWO

INSPECTOR: **Eric Kranda**

DATE: **JANUARY 19, 2017**

Print Date: 11/9/2016

ESCROW ACTIVITY

UNIT #	NMI	PLI	NBO	FI	FCOEI	ROF	DOCUMENTS/COMMENTS
3-B		07/13/16	11/30/16	12/20/16	12/30/16		
3-D		03/28/16					
3-G		10/21/16					
4-L		08/09/16	10/07/16	10/07/16	10/21/16		
5-J		12/14/16					
8-J		06/08/16	11/29/16	12/08/16	12/20/16		
10-I		10/01/15					
11-B		02/08/16	09/30/16	10/04/16	10/18/16		
12-K		04/14/16	09/12/16	09/02/16	09/16/16		
13-F		09/03/15					
13-G		06/20/16	08/19/16	08/26/16	09/21/16		
15-D		11/14/16	12/15/16	12/15/16	12/22/16		
15-E		04/05/16	10/28/16	11/08/16	11/21/16		
16-J		10/11/16	11/07/16	11/07/16	11/18/16		
18-B	12/13/2016						
18-H		06/02/16	12/05/16	12/06/16	12/15/16		
20-K		10/31/16	12/12/16	12/12/16	12/22/16		
24-K		10/14/16	11/17/16	11/16/16	11/29/16		
26-B		12/14/16					
33-D		10/07/16					
35-J		11/02/16					
36-E		03/18/16	07/07/16	07/12/16	07/26/16		
36-L		03/18/16	07/07/16	07/12/16	07/26/16		
37-C		12/14/16					
37-G	12/20/2016						
38-C		11/24/15	11/29/16	11/30/16	12/12/16		
42-E		07/06/16	10/17/15	10/20/16	11/02/16		
47-I		10/31/16	12/13/16	12/13/16	12/23/16		
48-C		09/14/16	10/12/16	10/13/16	10/27/16		
48-L		02/27/15					
50-F		09/14/16	11/10/16	11/17/16	11/30/16		
53-L		06/16/15					
59-B		08/29/16					
61-J		09/29/16	11/03/16	11/03/16	11/18/16		
64-I		06/08/16	09/26/16	09/26/16	10/10/16		
66-K		11/24/15					
67-B		03/02/16	01/16/17				
69-F		10/27/15					
70-F		05/26/16					
71-K		11/18/16	01/12/17				

NMI = New Member Inspection PLI = Pre-Listing Inspection NBO = New Buyer Orientation
 FI = Final Inspection FCOEI = Final COE Inspection ROF = Release of Funds

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL (02) TWO

INSPECTOR: **Eric Kranda**

DATE: **JANUARY 19,2017**

Print Date: 11/9/2016

CONTRACTS

CONTRACTOR	PROJECT
ANDRES LANDSCAPE GOOD UNTIL 5/31/17	
EMPIRE PIPE CLEANING GOOD UNTIL 12/31/16	
FENN GOOD UNTIL 3/31/17	TERMITE, PEST, AND BAIT STATIONS
BERGKVIST GOOD UNTIL 12/31/18	TERMITE AND DRYROT REPAIRS

SPECIAL PROJECTS

CONTRACTOR	PROJECT
JURADO ESTIMATE	DRAINAGE ISSUES AT 61-28
JURADO ESTIMATE	SIDEWALK HAZARD AT 9C
GUTTER SCREENS	NO PERFECT SOLUTIONS
ROOFING STANDARDS	FINISH 53,57,2 STARTED REROOF ON 18
KRESS CONST	SKYLIGHT DOME REPLACEMENTS
GRECO	ATTIC. PHONE DOORS. CABLE VAULT DOORS
HUTTON	GARDEN INSPECTIONS 1-24 DELAYED START DATE
ANDRES LANDSCAPE	SPRINKLER/GRAVEL SAND FILL AT 15
OGAN CONST	LAUNDRY RM 9
SCHLICK ELECTRICAL	WALK LIGHTS AT BUILDING 1 AND 2

MUTUAL OPERATIONS**REVISED POLICY FOR ADOPTION****PHYSICAL PROPERTY****Building Alterations – Mutual Two**

Reasons for this Policy include:

- 1) Assurance of the presence of a Contract between all interested parties;
- 2) Assurance that no asbestos contained material is removed or compromised;
- 3) Assurance that no Mutual Property is damaged;
- 4) Patio flooring is appropriate (e.g., non-skid tile);
- 5) Shareholder understands what is and is not allowed;
- 6) Shareholder understands that Mutual Two is not responsible for any damage to, or failure of flooring purchased and installed at any time by Shareholder or their successor Shareholder regardless of date of installation or cause of damage or failure.

Pre-demolition

The contractor shall notify all surrounding units four (4) days prior to demolition of any kind.

Contractor may petition the Mutual Building Inspector to designate one parking space to be coned off overnight Monday through Thursday, only during the initial phases of construction. The Mutual may revoke this space at any time.

Contractors shall block off their site with an approved orange netting at all times until final inspection occurs. They may use the grass areas in front of the unit during the day when marked off by the orange netting. All work tools must be removed from the grass area overnight and weekends.

Demolition

The contractor must have on site at all times an approved, fully charged and visible fire extinguisher.

Demolition must be tarped off so that no dust can enter the common attic space or effect neighboring units. If possible, the contractor is to lightly spray the demo area to keep dust down.

Contractors may not use Mutual trash dumpsters to dispose of material. All of their trash must be hauled off site daily.

(Drafted by Mutual Two Director 10/21/16)
(To be used on 11/17/16 Meeting)

MUTUAL OPERATIONS**REVISED POLICY FOR ADOPTION****PHYSICAL PROPERTY****Building Alterations – Mutual Two****Concrete**

Any new concrete work being done at a unit must include a 12" concrete apron along the front of the garden. With the apron, the hose bib line will need to be changed to copper type L with an approved hose bib. The copper line must pass through the concrete with a sleeve of abs larger than the copper pipe.

All new concrete defined as foundations, patios, aprons, and walkways shall be doweled into existing slabs a minimum of 24-inch OC with a #4 rebar and at least a 6-inch embedment. This will also include any small jobs or repairs.

Framing

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

When a unit is remodeled, the architect, engineer, and/or contractor shall design and construct all the ceiling systems in such a way that allows for a minimum of 1" unobstructed flow of air from the eave vents up to the ridge vent. No framing material or insulation shall obstruct this air flow. If the insulation is going to close this 1" space, then a plastic baffle shall be installed to maintain it.

No wood trim or coverings will be allowed on the exterior. Only termite resistant products shall be allowed on the exterior finish. Cement fiber trim and hard panel siding are standard. However, composites may be reviewed by the Mutual Board for approval. The only wood to remain for an exterior remodel is the original roof overhang that includes vent blocks, rafters, fascia, and plywood. If these are damaged or repaired by the contractor, they shall replace wood to match existing and be painted to match. They must be primed and painted with the approved paint. These exterior wood members will be the responsibility of the Mutual upon completion.

Drywall

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

(Drafted by Mutual Two Director 10/21/16)
(To be used on 11/17/16 Meeting)

MUTUAL OPERATIONS**REVISED POLICY FOR ADOPTION****PHYSICAL PROPERTY****Building Alterations – Mutual Two****Plumbing**

All exposed original plumbing (water/sewer) shall be changed out to either copper type L with sweat joints or abs with no hub connections. Full remodels shall have a brass ball valve main shut off installed for the cold water entering the unit. From this location all cold water systems shall be in copper type L and be directed to the kitchen and bathrooms. If localized remodels occur for the kitchen or bath, a valve shall be used for the cold water servicing these locations. All valves shall be easily accessible.

The shut off valve for the hot water shall be at the cold water supply to the water heater and easily accessible through a panel. The water heater shall be easily accessible for service and have a drip pan and water alarm installed by the contractor for any plumbing remodel.

Only metal braided supply lines with ¼ metal angle stops are allowed for all plumbing fixtures. Toilet supply lines shall have metal nuts not plastic.

Walk-in therapeutic or Jacuzzi tubs must have all drywall removed at the common walls and soundproofing installed. An insulation inspection must precede covering of all walls to verify the presence of the soundproofing. Please see Insulation/Sound Proofing/Fireproofing section below.

Electrical

If a new circuit is required and space cannot be found within the existing panel, then a new panel will be necessary and shall only be squared Q0124L125A 24 spaces/24 currents with 100 amp main shut off.

No sub panels when remodeling.

All electrical boxes in the common walls shall be metal, not plastic.

All remodels shall require high efficiency lighting such as LED, Gu24, or fluorescent tube. No screw in bulbs for new lighting.

Draftstopping

Draftstopping will be required within the attic space along the sides of the unit, but not at the attic corridor under the ridge. Draftstopping may be a minimum of 5/8 OSB, plywood, or type X drywall from the top plate and extend to the underside of the roof sheeting. It need only be installed in such a manner as to remain in place with minimal framing/backing required.

(Drafted by Mutual Two Director 10/21/16)
(To be used on 11/17/16 Meeting)

MUTUAL OPERATIONS**REVISED POLICY FOR ADOPTION****PHYSICAL PROPERTY****Building Alterations – Mutual Two****Insulation/Sound Proofing/Fireproofing**

All common walls shall be insulated for soundproofing and fireproofing. The common walls when open in a remodel, shall be filled with a mineral wool such as Roxul Safe 'n Sound, which both soundproofs and fireproofs the unit. Any penetrations for plumbing or electrical shall be sealed with approved fireproof sealant or spray foam. All electrical boxes in common walls shall be metal.

Removal/Installing of Flooring

A. Mutual Two requires a GRF Physical Properties Building Permit for all floor coverings removed and/or installed at the Shareholder's expense. And, all old flooring must be tested or disposed of properly at shareholder's expense

Both interior and patio/porch floor covering will require a GRF Building permit. Outside patios require a crack isolation barrier such as red guard or a ¾" mortar base. This is because all of our outside patio tiles crack over time and shareholders are responsible for repairs, not Mutual Two. Patio flooring transition to entry walls are shareholder's responsibility and must be made flush by raising concrete entry walls.

Washers & Dryers

Washers & dryers shall be submitted with a plan describing the proposed connection to the sewer. All washers shall be installed with a battery powered water alarm behind the unit at the floor. Only braided metal supply hoses are allowed for the appliance. Dryer vents must go to the roof and have a clean out accessible within the unit. All venting must be galvanized pipe with a short flex line used for the connection to the appliance. This insures that the appliance may be pulled out and serviced without breaking the vent seal. The contractor may cut a hole for the vent from within the attic but may not have access to the roof top. They must then contact the mutual roofer to have it flashed with the approved damper cap.

An insulation inspection must occur to verify the presence of the soundproofing before the Building Inspector will sign off on project.

The resident shareholder assumes full responsibility for any damage incurred as a result of a personal washer and/or dryer in their unit.

MUTUAL OPERATIONS**REVISED POLICY FOR ADOPTION****PHYSICAL PROPERTY****Building Alterations – Mutual Two****Dishwashers**

Resident shareholders may have any make or model built-in dishwasher installed in their apartment at their own expense by a licensed contractor approved by the GRF Physical Property Department after securing the necessary permits from the GRF Physical Property Department prior to the work beginning. The dishwasher requires a separate electrical circuit.

The resident shareholder assumes full responsibility for any damage incurred as a result of a dishwasher, whether built-in or portable in their unit.

Appliances

If the shareholder has only lived in the unit six (6) months or less and received new appliances from the Mutual, they may not remove them in a remodel unless they refund the Mutual the full price value at the time of installation.

No appliance which is Mutual property may be sold, given away, or disposed of by the shareholder or contractor. It is the Mutual's property. The contractor or shareholder will notify their director or the Mutual Building Inspector to see what will be authorized. This notification must be at least seven (7) days prior to its removal. If the appliance is stored in the unit, it will be cleaned and left undamaged until pick up.

Mutual appliances will be defined as: stoves, ovens, hoods, refrigerators, garbage disposals, water heaters, sinks, faucets, lighting fixtures and ceiling heater/vent/light units.

All expansions or permanent fixtures and appliances to the unit become Mutual Two property when attached to the building. Under the Mutual Two Corporation's residential permit for alterations or additions, the owner/member resident agrees not to look to the Golden Rain Foundation or the Mutual Corporation for reimbursement for the cost of the addition or alteration.

B. BUILDING ALTERATIONS EXTERIOR**Exterior Coverings and Blinds**

All exterior coverings and/or blinds on windows, doors, doorways, and entry or exit areas plans must be submitted to and approved by the Mutual Two Board of Directors and meet the standards and approval of the Physical Property Department prior to installation.

Exterior coverings, including but not limited to solar blinds, mini blinds, vertical blinds, or roll-up bamboo blinds, are permitted only within the inside of each shareholder's patio or unit,

(Drafted by Mutual Two Director 10/21/16)
(To be used on 11/17/16 Meeting)

MUTUAL OPERATIONS**REVISED POLICY FOR ADOPTION****PHYSICAL PROPERTY****Building Alterations – Mutual Two**

and may not be attached to the Mutual's building outside of the patio or interior window header when the unit has been extended.

The Mutual prohibits exterior coverings to be attached to the building outside of the patio header or attached to rafter tails or building fascia.

Gutters

Any remodel which changes or tampers with the gutter or moves a downspout is not allowed to patch the gutter. They may reuse and modify the downspout. Full lengths of gutter without patches must be installed by the contractor. On the new roofs that have gutters with one seam at the middle of the building, the contractor must contact the Mutual approved roofer and have them do the install. The install will be at least one half the entire length of the building without patches. Downspouts may be reused but will only be located as per the Mutual Building Inspector's direction.

C. ARCHITECTURAL STANDARDS

The Member shall not, without written consent of the Corporation, make any structural alterations in the premises, or in the water, electrical conduits, plumbing or other fixtures connected therewith, or remove any additions, improvements or fixtures from the premises. (Occupancy Agreement, Article 12). "Premises include your unit and the common area.

MUTUAL ADOPTION**AMENDMENT(S)**

TWO: ***date after 30 day posting period***

(Drafted by Mutual Two Director 10/21/16)
(To be used on 11/17/16 Meeting)

MUTUAL OPERATIONS**PHYSICAL PROPERTY****BOARD AMENDED DRAFT****Landscape Areas, Trees, Shrubs – Mutual Two****MISSION STATEMENT**

This policy is adopted to enhance the enjoyment of the Mutual Two living style by setting and enforcing standards for Mutual Two landscaping.

This policy outlines the shared responsibilities of Mutual Two and its shareholders. The Landscape Committee is entrusted with the management of landscaping including the responsibility for inspections and enforcement of this policy.

If all shareholders follow the policy as outlined below, the landscape areas will display what most shareholders would consider an appealing appearance of Mutual Two, a benefit for all as a good place to live and an enhancement of property values in the event of resale.

Resident Garden Areas

The area extending 24 or 36 inches from the exterior wall of the unit is set aside for the shareholder's garden. The sides of the corner apartments shall have a 48-inch limit. At the time of sale or transfer of stock, the Mutual will review the area and decide whether those areas which have been extended beyond these limits will be returned to the 36 or 48 inches or leave as extended.

1. Trees may not be cut down until an outside, independent arborist provides a written report advising the Board of Directors that the tree is diseased or the roots are invasive to buildings and that the roots cannot be cut back without killing the tree.
2. Shareholders may plant greenery of their choice from the list of Mutual approved plants. Plants with invasive root growth that could potentially damage the Mutual structures and walkways are prohibited. Vines are not permitted to climb on any structures. If a trellis is used, it must be free-standing and be kept eighteen (18) inches below the eaves. All plants must be trimmed back twelve (12) inches from building walls. Shrubs shall not block windows, electric meters, or neighbors' views. Trees may not be planted in garden areas, except in tubs, and they must be kept eighteen (18) inches below the eaves. Plants must be cut back so as not to extend over the garden line, in all cases. Removal of any offending growth will be done by the Mutual at the shareholder's expense.
3. Fertilization and plant pest control within the garden area are the responsibility of the shareholder. Watering the garden area is also the responsibility of the shareholder. At the shareholder's expense, sprinklers may be added within the garden area. Maintenance of sprinklers will be at the shareholder's expense.

MUTUAL OPERATIONS**PHYSICAL PROPERTY****BOARD AMENDED DRAFT****Landscape Areas, Trees, Shrubs – Mutual Two**

4. Potted plants are not permitted on entrance walkways; nor can they inhibit the 36-inch entry requirement. Further, potted plants are not permitted on top of, or hung from Padmount transformers, nor on telephone vaults or walk lights. Cement pavers must be under all pots containing trees or large plants.
5. Free-standing objects are permitted in the garden area only.
6. After cleaning garden areas or raking leaves, shareholders should place the leaves or debris in the proper trash bins.
7. At the time of escrow or transfer of stock to a new owner, the Mutual Inspector and the Mutual Director will signify any plants, shrubs or trees that need to be removed. The cost of such removal will be the expense of the seller or transferee of ownership.
8. Planting will be in accordance with the current Mutual Two Gardening Policy. If the new owner wishes to do the planting, it will at their expense.
9. Laundry Rooms: The areas next to the laundry rooms are an extension of the Mutual's lawn areas. These lawn areas are not for shareholders' use. If a shareholder infringes upon this area, the Gardening Committee may request that the shareholder remove such infringements at the shareholder's expense. When the corner unit changes ownership, the Committee will review any deviations or variances to the Gardening Policy.

Shareholders may design a garden area with slight curves to enhance their garden area. First, shareholders must submit a plan and drawing of the proposed garden area to the Board of Directors prior to the work being done. If approved, the plan and drawing will go into a file for that unit and be grandfathered in, so that the garden area does not have to be returned to its original configuration if the shareholder sells his or her share of stock.

DONATING TREES

The Garden Committee wants shareholders to know that donations of trees to enhance our Mutual's appearance are greatly appreciated. Trees are one thing that all shareholders enjoy and want to maintain. They provide shade, and improve and enrich our living spaces in Mutual 2. The Garden Committee welcomes all tree donations.

If you would like to donate a tree, the procedure is very simple:

1. Present a proposal to the Garden Committee of what type of tree you want to donate, it's size and where you would like it planted;

(Draft received 11-9-16)
(To be used on 11-17-16 jl)

MUTUAL OPERATIONS**PHYSICAL PROPERTY****BOARD AMENDED DRAFT****Landscape Areas, Trees, Shrubs – Mutual Two**

2. If your request meets the criteria set forth by the Garden Committee, the proposal will be presented to the Board of Directors;
3. A vote will be taken at the monthly Board Meeting. Once approved, the tree can be ordered then planted.

I. GARDEN AREAS

Every shareholder is allowed the privilege of a flowerbed area in front of his/her apartment. Existing flowerbeds range in width from 24" to 36" and cannot exceed 36" in front; side gardens cannot exceed 48".

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

II. FLOWERBED USE AND MAINTENANCE

Shareholders are expected to maintain their flowerbed areas to enhance the Mutual and be aesthetically appealing to the appearance of the Mutual. If a shareholder does not adhere to the requirements of the landscape policy, the Mutual will advise the shareholder, in writing, of the problem to be corrected.

1. All fertilization and plant pest control within the flowerbed are the responsibility of shareholders at their expense. Pesticide application requires careful attention to prevent endangerment to other shareholders as well as to beneficial insects.
2. Flowerbeds are cultivated, weeded, and trimmed by contracted landscapers every six (6) weeks. Shareholders who desire to do the work themselves may alert the landscapers by placing red flags within the flowerbed. Flags are available from gardeners.
3. Landscapers are instructed to remove weeds from all flowerbed areas, including Baby's Tears, wild mint, ivies and plants of the spiderwort family. These plants can spread onto the lawns or invading neighboring gardens.
4. In no instance are plants of any sort permitted to become entwined, lay upon, or in any manner touch a roof, an exposed beam, or any portion of a structure, including gutters, as these conditions invite termites, rats and mice.

MUTUAL OPERATIONS**PHYSICAL PROPERTY****BOARD AMENDED DRAFT****Landscape Areas, Trees, Shrubs – Mutual Two**

Any plant materials in the flowerbed whose roots are damaging the building structure, walkways, lawn area, or retaining wall must be removed at the expense of the shareholder and the damages repaired at their expense.

Plants not already trimmed to acceptable standards of one foot (12 inches) from the building and decorative blocks and 24 inches from the eaves, will be cut back at shareholder's expense when the structure is painted or repaired.

5. Entrance walkways, from the sidewalk to the structure/porch, must be kept free always of potted plants and all other impediments, including electric carts. Nothing that will in any way impede the full use of the 36" wide walkway and entry from the sidewalk to the entrance onto the porch is permitted to remain on the walkway. Plant materials must not extend outside the flowerbed limits over scallop borders, walkways, turf areas, or into neighboring flowerbeds.
6. Any potted plants placed in the flowerbed areas must be in decorative pots – they may not be left in nursery containers. Potted plants are to be kept trimmed and in a healthy state. The flowerbeds are to be kept in an attractive state to avoid an overabundance of plants that can be an eyesore and attract spiders, bugs and rodents.
7. If a flowerbed is deemed to be an eyesore by the Landscape Committee and provides hiding places for spiders and rodents, then the shareholder will be asked, in writing, to clean it out. If the resident does not clean out the "overgrown" flowerbed and/or overabundance of potted plants, then the Mutual will do it. The shareholder will not be reimbursed for any plants, pottery, containers or non-authorized "items" in the flowerbed.

III TURF AREAS

1. Turf areas are described as the ground areas located outside the apartment's flowerbed area. The Mutual is responsible for the maintenance of this area. Laundry room planters are a part of the Mutual's landscape/lawn property – they are not for shareholders' use. If a shareholder infringes upon this area, the Mutual will ask the shareholder to remove such infringements. If the shareholder does not remove them, the Mutual will have the infringements removed with no compensation to the shareholder.
2. Shareholders are not permitted to install, maintain, remove, or relocate plants or any other landscaping materials, in the turf areas, around trees, irrigation corners on green belts, or around light poles. Any plants or other landscaping material that is placed in a turf area by a shareholder may be removed at shareholder's expense. Directors have the authority to authorize such removal.

MUTUAL OPERATIONS**PHYSICAL PROPERTY****BOARD AMENDED DRAFT****Landscape Areas, Trees, Shrubs – Mutual Two**

3. Shareholders are not permitted to install, relocate, or adjust turf area sprinklers. Shareholders are not permitted to hand-water turf areas except for areas inadequately irrigated by the sprinkler systems.
4. The Mutual will not plant or replace trees in the Mutual turf areas unless there is an eight (8) foot clearance from the entrance walkway and an eight (8) foot clearance from the sidewalk, or an eight (8) foot radius.
5. Temporary use of turf areas by residents requires prior written approval by a Director (examples could be a picnic, party, moving, construction material storage, holiday decorations, etc.)
6. Lamp posts may not be decorated or have anything attached to them.

IV. APPROVED AND PROHIBITED PLANTS

1. The list of only approved plants is shown below. If a shareholder has a question about a plant that does not appear on the approved list, the shareholder needs to contact the Landscape/Garden Director for clarification and to obtain written approval from the Director prior to planting. If planted without prior written approval, the Mutual will remove, at its discretion, the offending plant(s) at the shareholder's expense.

Approved Plants List:

Day Lily (yellow)
 Hidcote Lavendula Angustifolia
 Salvia Leucantha – Santa Barbara Sage
 Nandina- Gulfstream
 Duranta Repens
 Raphiolepis – Pink Lady
 Heather

Mandevilla Splendens
 Camelia
 Azalea
 Pittosportum – M. Channon
 Nandia – Gulfstream
 Hidcote Lavendula Agustifolia
 Succulents or Drought resistant plants

Approved Plants List:

Agapanthus	Escallonia	Holly Family	Juniper Shrubs
Ajuga	Flax	Hydrangea	Roses
Fuchsia	India Hawthorn	Lily of the Nile	Chrysanthemum
Dahlia	Verbena	Mirror Plant	Heavenly Bamboo
St. John's Wort	Gardenia	Lily of the Valley	Star Jasmine
Hibiscus	Liriope	Pyracantha	Cape Honeysuckle

MUTUAL OPERATIONS**PHYSICAL PROPERTY****BOARD AMENDED DRAFT****Landscape Areas, Trees, Shrubs – Mutual Two****Annual and Perennial Flowering Plants:**

Geraniums Marigolds Impatiens Wax Begonia Vinca

Perennial Flowers do well in our climate and soil. Young plants need protection from rabbits.

All vegetables and fruit may be grown in pots within the shareholder's designated flowerbed area ONLY. Pots may not be placed on walkways, sidewalks, or anywhere that will impede emergency access. Pots containing vegetables and trees may be placed on shareholder's patio. If placed in the flowerbed, pot must be on a paver large enough to prevent roots from going into the ground.

The following **flowers or plants may not be planted in garden areas**. Additional prohibited flowers or plants may, in the future, be added to this list by the Board of Directors.

Asparagus Fern	Cactus (large)	Ivy	Wild Mint
Baby Tears	Citrus of any kind	Spiderwort	Plastic Plants
Bamboo	Fruit of any kind	Trees of any kind	Vegetables
Bird of Paradise	Ficus	Most Palms	Elephant Ears

Any tree or plant will be removed if deemed by the gardener or Physical Property Inspectors to have roots that will cause damage to the sewers or infrastructure.

FRUITS AND VEGETABLES

Land in the 1.8-acre Mini Farms is set aside in Leisure World for vegetable planting. Call Community Facilities (ext. 398) for information.

PLANTING TREE WELLS

The Mutual 2 Board of Directors is granting its shareholders permission to plant and landscape tree wells in their own green belts according to Policy 7425.2, dated May 2013. Below are general guidelines which are to be followed. Any questions should be directed to the Chair of the Gardening Committee.

Before a tree well can be landscaped, a drawing, complete with all materials to be used must be submitted to the Gardening Committee for prior approval. Once approved, the gardener will be notified to enlarge the area to be used for the well. Upon completion, it is the shareholder's responsibility to maintain the well. All materials purchased and used for the project, as well as the cost of maintaining the tree well, will be at the expense of the shareholder. Mutual 2 will only assume the cost of creating the well.

(Draft received 11-9-16)
(To be used on 11-17-16 jl)

MUTUAL OPERATIONS**PHYSICAL PROPERTY****BOARD AMENDED DRAFT****Landscape Areas, Trees, Shrubs – Mutual Two**

Only organic material may be used. No statuary or fencing of any kind around or in the tree well will be allowed. Additionally, no pots of any kind will be allowed in or around the tree well. For example, a tree well can be done completely in decorative rock without plants if desired. It can also have different colors and kinds of rock and mulch in the same well.

Drought tolerant plants are preferred since watering will be manual and the responsibility of the shareholder. **No topsoil is to be used at the base of the tree.**

Check Policy 7425.2 for the complete list of approved plants and ground cover. Around the tree base some suggested types of cover are lava rock, pea gravel, beach rock, river rock and other landscaping rocks and all forms of mulches and decorative bark.

The goal of the Gardening Committee is to give shareholders many choices for enhancing the beauty of their green belt area with creative plantings in the tree well areas. However, to maintain our beautiful trees and help prevent them from dying, certain rules must be followed. For example – the tree needs to breathe at the base so from the base to about three (3) feet out, nothing is to be planted. Rocks and mulches are allowed for the trees to hold in the little amount of water they are allowed due to drought regulations.

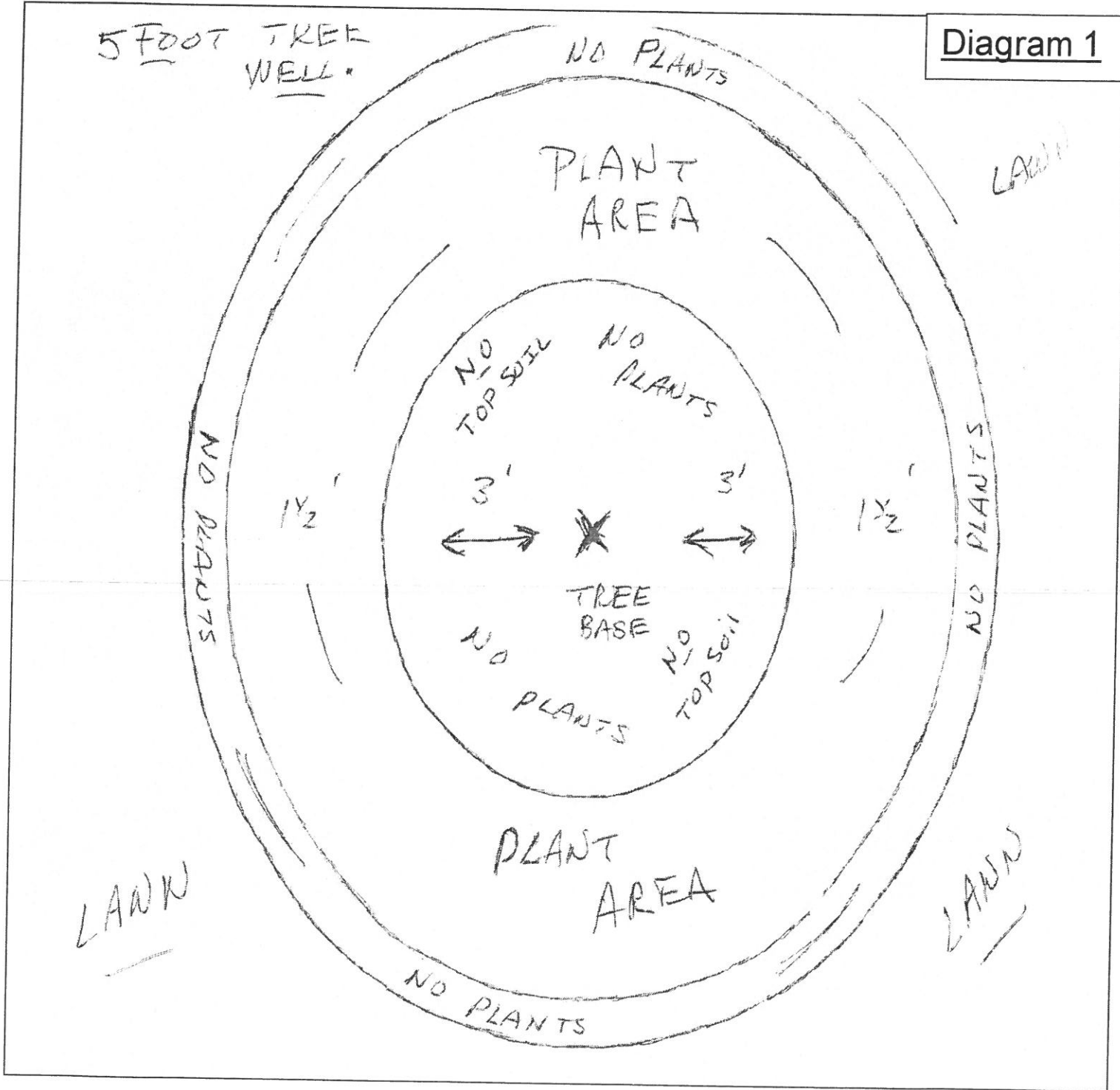
See Diagram 1 & 2 for sample dimensions of a tree well below –

PHYSICAL PROPERTY

BOARD AMENDED DRAFT

Landscape Areas, Trees, Shrubs – Mutual Two

Diagram 1

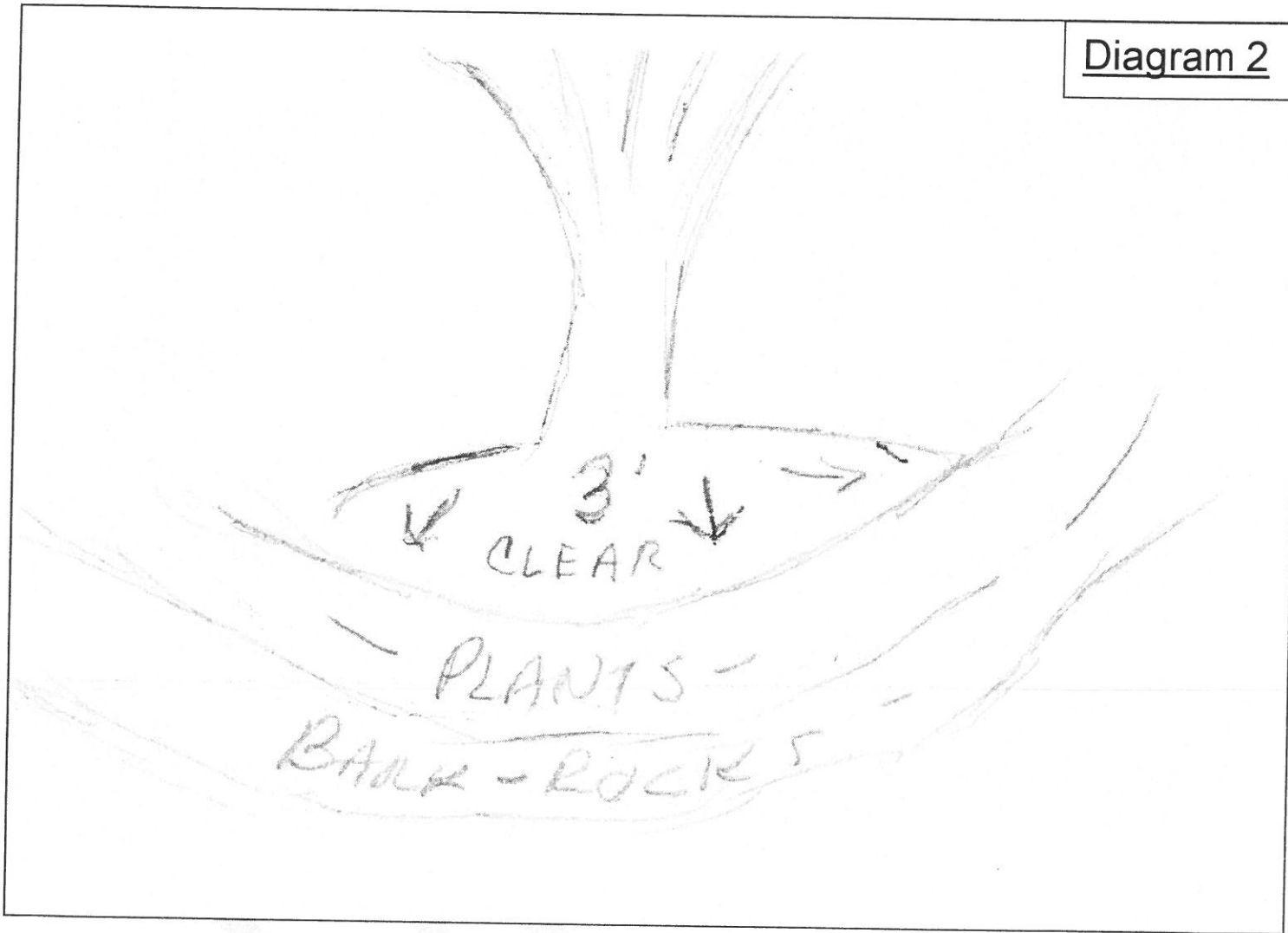


PHYSICAL PROPERTY

BOARD AMENDED DRAFT

Landscape Areas, Trees, Shrubs – Mutual Two

Diagram 2



MUTUAL ADOPTION

AMENDMENT(S)

TWO: 10-17-91

3-18-04; 10-21-04; 5-16-13; 11-19-15; *date after 30day*

(Draft received 11-9-16)
(To be used on 11-17-16 jl)

MUTUAL OPERATIONS**BOARD REVISED DRAFT****SHAREHOLDER REGULATIONS****Towing Vehicles – Mutual Two**

A towing program is hereby established which permits the **Mutual** Security Department to remove and store vehicles parked on Mutual property that are inoperable, abandoned, blocking a fire lane or are parked in such a manner as to constitute a hazard **that are in violation of Mutual Policy**. The authority for this action is contained in Section 22658(a) of the California Vehicle Code (CVC) – **Authority to Remove Vehicles**.

In conformance with the CVC **Vehicle Code**, an appropriate sign **signage** will be posted at both entrance gates warning all who enter Leisure World that it is private property and unauthorized or illegally parked vehicles will be towed away at the vehicle owner's expense.

A. Tow Procedure – Immediate Action

Security Department will advise the Mutual Board when vehicles are in violation and may require immediate action/removal:

- 1. Violation of Mutual Policy related to safety/access/flammable materials;**
- 2. Violation of the Fire Lane Regulation CVC 22953(b0);**
- 3. Violation of the Fire Hydrant Regulation (Mutual Policy).**

If approval is received from the Mutual, Security Department will notify the towing company to respond and meet the designated Mutual Representatives. A private property towing form will need to be signed by a Mutual representative authorizing the towing company to remove and store the vehicle.

B. Tow Procedure:

- 1. Attach a 96-hour warning notice to the vehicle, informing the vehicle owner of the violation and intent to tow upon non-compliance. A copy of the 96-hour warning notice will be provided to the Mutual Administration Department for processing;**
- 2. If required by Mutual Policy, a registered letter will be sent informing the registered owner (per GRF Records) of the intent to tow the vehicle away after receipt of the letter if the vehicle is not moved. The registered letter signed receipt will be returned**

MUTUAL OPERATIONS**BOARD REVISED DRAFT**

SHAREHOLDER REGULATIONS

Towing Vehicles – Mutual Two

to the Mutual Administration Department by mail. It serves as confirmation of the vehicle owner's receipt of the letter and initiates the period to comply. The Mutual Policy will determine that the violator has ten (10) days to comply;

3. After the 96-hour period, Security Department will check for compliance and report their findings back to Mutual Administration Department;
4. If the Mutual approval to remove the vehicle is received upon confirming non-compliance to the 96-hour tow notice and/or receipt of the registered letter, a tow truck will be appointed to remove and store the vehicle;
5. Security Department will maintain a current log of all towing transactions to direct vehicle owners to the appropriate towing company;
6. This policy applies to all vehicles - automobiles, motorcycles, Vespa-type scooters, golf carts, scooters – any vehicle motor operated – whether parked in carports, on Mutual streets and/or in marked parking areas.

MUTUAL ADOPTION

TWO: 2-18-16

AMENDMENT(S)*date after 30 day posting period*

MUTUAL OPERATIONS**SHAREHOLDER REGULATIONS****BOARD REVISED/ADOPT DRAFT****Unmanned Aerial Flight Vehicles (Drones) – Mutual Two**

Seal Beach Mutual Two is a cooperative housing project consisting of 72 residential buildings, containing 864 units, and is the owner of all the community facilities within that Mutual area consisting of the residential buildings, laundry rooms, streets, common sidewalks, garden areas, carports, and ways of egress into said facilities.

To protect the safety and privacy of the shareholders of Mutual Two, the recreational flight of drone aircraft is prohibited over all Mutual Two property.

The only circumstances under which drone aircraft may operate in the air over Mutual Two property:

1. In the event of an emergency declared by local, state or federal authority, or by an authorized officer of the Golden Rain Foundation, or the Executive Director of the GRF, or an officer of Mutual Two Board of Directors. Proper documentation of the qualifications of those operating the drone and liability insurance will be required.
2. A commercial drone flight, at the invitation of the Mutual Two BOD, for purposes determined to be necessary and beneficial to Mutual Two shareholders. Proper documentation of the qualifications of those operating the drone and liability insurance will be required.

Any violation of this resolution shall be considered a trespass, and the Leisure World Security staff will be called upon to bring such trespass to an end in a peaceful manner with or without the assistance of the Seal Beach Police Department.

MUTUAL ADOPTION

TWO: **(ratified date)**

(Draft received 11-9-16 jl)
(To be used on 11-17-16)

MUTUAL OPERATIONS**DRAFT POLICY****PHYSICAL PROPERTY****Patio Regulations – Mutual Two**

The patio area must be kept with a clear path for emergency personnel to access.

The patio area must not be cluttered with storage boxes of any kind. All storage boxes, tools, and garage-type merchandise must be properly stored in a closet or cupboard.

The patio area is not to be used to hang or dry clothes.

This policy has been developed to enhance the enjoyment of living in Mutual Two by setting and enforcing standards for open and enclosed patios. It is the responsibility of the Mutual and its shareholders to manage the appearance and safety of patios by respecting approved standards.

Patio Use and Maintenance:**1. Maintenance of patios is the responsibility of shareholders;****2. Emergency Egress - Windows and Walkways:**

- a) **All patio window spaces, both inside and out must be kept clear for emergency exit and entrance;**
- b) **A clear path of at least four (4) feet must be maintained from the entrance of the patio to the entry door of the unit;**
- c) **Walkway must have a clean, unobstructed pathway; including potted plants.**

3. Emergency Egress – Doors:

No patio addition may have a door that locks. Only doors with direct entry into the unit may have locks, i.e., front door or sliding glass door leading directly into the unit from the patio. A door outside in the patio without direct access into the unit is not considered an entry door. To clarify, there can be no door locked before arriving to the front door of the unit. Any lock on a patio door must be removed or the Mutual will remove it at the shareholder's expense;

- 4. **Any object which contributes to uncleanliness or impeded passage for emergency personnel and equipment, and may lead to unhealthy or dangerous conditions to shareholders, must be corrected by the shareholder. If such items are not removed, the Mutual will do so at the shareholder's expense;**

(date)

MUTUAL OPERATIONS**DRAFT POLICY**

PHYSICAL PROPERTY

Patio Regulations – Mutual Two

5. Inspection: Patios will be periodically inspected by a Building Inspector assigned by the GRF Physical Property Department;
6. Storage – Open Patios: After the initial 30-day move-in period, the following items may not be stored or placed on open patios:
 - a) Any type of food, including birdseed, dog or cat food except in airtight containers and do not leave pet dishes with food on the patio;
 - b) Cardboard boxes;
 - c) Charcoal or highly flammable items, old newspapers, magazines, etc.,(unless stored in approved containers). Gasoline-operated equipment or gas cans, flammable chemicals;
 - d) Laundry hung for airing or drying;
 - e) Non-working refrigerators or freezers;
 - f) On ungated patios: Unattended pets or pets in permanent outdoor kennels or caged (including birds);
 - g) Spas or hot tubs, indoor upholstered furniture.
7. Patio Décor:
 - a) Screens, panels, or drapes to block the sun must be of outdoor fire retardant fabric and must be maintained;
 - b) Obscene objects hanging or stationary are prohibited.
8. Prohibited Activities:
 - a) Any workshop causing noise, odor, unsightliness, and/or unhealthy conditions. Be guided by the “occasional hobby-oriented” activity rather than an ongoing business or any activity considered to be a nuisance to neighbors. Contact the Board by sending a letter to the Secretary for information and guidance;

(date)

MUTUAL OPERATIONS**DRAFT POLICY**

PHYSICAL PROPERTY

Patio Regulations – Mutual Two

- b) Converting an open patio into a storeroom is prohibited.
9. Patio Size - Mutual building permits are required for any alteration to patios. A patio may not be increased by expanding outwards into the garden/common area. Patios may be reduced in size by:
- a) Construction of patio closets require a Mutual building permit;
 - b) Adding pre-assembled cabinets/sheds;
 - c) By expanding the interior rooms of the unit outward into the patio space.
10. Patio Floor: Outdoor carpeting is permitted. Any permanent resurfacing of the patio floor requires a GRF building permit. Flooring installed without a permit may be removed by the Mutual at the shareholder's expense.
11. Enclosed patios:
- a) A permit from the Physical Property Department is required for any construction to a patio;
 - b) An enclosed patio may not function as a bedroom, kitchen, or storage closet;
 - c) Any item not appropriate to a patio will be removed by the shareholder or by the Mutual at the shareholder's expense.
12. Enclosed Patios Acceptable Items:
- a) Refrigerator or freezer in working condition plugged directly into wall socket only;
 - b) A washer or a dryer or stacking washer and dryer installed inside a patio storage cabinet;
 - c) A permit must be obtained for the installation of these appliances, and all codes relating to electrical and, if applicable, plumbing and ventilation must be adhered to.

(date)

MUTUAL OPERATIONS

DRAFT POLICY

PHYSICAL PROPERTY

Patio Regulations – Mutual Two

MUTUAL ADOPTION

AMENDMENT(S)

TWO: 05-16-13

date after posting period

DRAFT

(date)

MUTUAL OPERATIONS

ADMINISTRATIVE SERVICES

Property Tax Postponement

WHEREAS, the State of California has authorized the property tax postponement privilege under Revenue and Taxation Code Section 20630 to be extended to FHA-insured cooperatives, and

WHEREAS, the form of the Recognition Agreement and Addendum to the Recognition Agreement proposed by the Controller of the State of California has been approved by the Department of Housing & Urban Development,

THEREFORE, BE IT RESOLVED, That this Corporation

1. Approves the form of the Recognition Agreement and Addendum to the Recognition Agreement as submitted by the Controller of the State of California, and
2. Authorizes the President or Vice President to execute the Recognition Agreement and Addendum to the Recognition Agreement for any stockholder of this Corporation who requests property tax postponement.

<u>MUTUAL</u>	<u>ADOPTION DATE</u>
One	28 Jun 79
Two	19 Sept 85
Three	
Four	05 Sept 79
Five	20 Jun 79
Six	27 Jul 79
Seven	15 Jun 79
Eight	25 Jun 79
Nine	
Ten	28 Jun 79
Eleven	26 Jun 79
Twelve	
Fourteen	
Fifteen	28 Jun 79
Sixteen	

(Sept 85)

MUTUAL OPERATIONS

SHAREHOLDER REGULATIONS

NEW POLICY DRAFT

Surveillance Cameras – Mutual Two

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

- A. No camera may be trained or focused on the interior of another unit, on another unit's front door, or anywhere else other shareholders have a reasonable expectation of privacy.
- B. The use of cameras for surveillance or security proposes is done at the installing shareholder's own risk and such shareholders understand that cameras may serve as a deterrent, but may not actually prevent crime.
- C. Allowing shareholders to install cameras within their own units, in no way implies any responsibility whatsoever on the part of the Cooperative. The Cooperative shall not be held liable, or otherwise responsible, for damaged property, illegal activity, and/or risk to life or limb, or any safety or security problems. All residents and their guests are encouraged to provide their own security measures and take safety precautions as necessary, subject to the limitations set forth in the Cooperative's governing documents. Each shareholder is responsible for providing their own insurance coverage in the case of criminal activity, property damage, and/or liability.

MUTUAL ADOPTION:

AMENDMENT(S)

TWO: *date*

(date ratified)