

NOVEMBER 2022

TO ALL MEMBERS OF MUTUAL 02:

Enclosed please find the 2023 Annual Budget Report and Annual Policy Statement for the Mutual 02 a non-profit Mutual Benefit Corporation organized and created pursuant to the California Corporations Code for the fiscal year beginning January 1, 2023.

In the accompanying pages are summaries of the 2023 budgets that were adopted by the GRF Board of Directors and your respective Mutual Board of Directors, and which must be distributed to the members thirty (30) to ninety (90) days before the end of the fiscal year pursuant to California Civil Code Section 5300. I would like to thank the members of all the Boards of Directors for their volunteer services resulting in no board costs to the residents. **Any member of the Mutual may request copies of the full budget from the GRF Accounting Department at no cost.** In addition to the budget summary, this package contains a summary of the Annual Policy Statement, which must be distributed to members in accordance with Civil Code Section 5310 within thirty (30) to ninety (90) days before the end of the fiscal year. **Any member may request a complete copy of the report at no cost to the member by submitting a written request to:**

**Mutual 02
c/o Golden Rain Foundation
P.O. Box 2069
Seal Beach, CA 90740**

Minutes of the Mutual's regular meeting are circulated to each building and posted in the laundry rooms of the Mutual. Copies can be obtained for a nominal fee from the Finance Department in the Administration building.

Please review the foregoing and enclosed documents. Should you have any questions or concerns, please do not hesitate to contact your Board of Directors.

Sincerely,

Mutual 02
Board of Directors

ANNUAL BUDGET REPORT¹

(Civil Code Section 5300)

After thoughtful review and consideration, the Board of Directors has approved a budget for the fiscal year ending December 31, 2023, which it believes is reasonable and prudent to meet the funding needs of the Mutual 02. The assessments will be increased to \$287.84 per unit, per month effective January 1, 2023. A copy of the budget is enclosed for your review.

In accordance with Civil Code Sections 5550(b)(5) and 5560 the Board has adopted the budget along with the reserve funding plan as recommended in the Reserve Study performed by Association Reserves. The reserve study has been performed pursuant to Civil Code Section 5565 for the major capital components. Mutual 02's reserves account will be funded through assessments. A summary of the reserve report is enclosed. Copies of the full reserve study plan are available upon request at the GRF Administration Building.

The Board of Directors does not, at this time, anticipate the need to levy a special assessment for planned expenditures, but reserves the right in accordance with California Civil Code to approve a special assessment for unplanned major expenses, if necessary, in the upcoming fiscal year.

The Board of Directors has not deferred repairs or replacement of any major component with a remaining life of 30 years or less. Or the Board of Directors has deferred the repair or replacement of the following major components:

Component	Reason for Deferment
N/A	

¹ This summary includes a general description of the content of the report. Members may request a complete copy of the report at no cost to the member by submitting a written request to Golden Rain Foundation, P.O. Box 2069, Seal Beach, CA 90740.

**Seal Beach Mutual Two
Operating Budget
Year Ended December 31, 2023**

864 Apartments	Average Monthly Per Apartment			Operating Budget In Dollars		
	2023	2022	Change	2023	2022	Change
Electricity	5.62	4.45	1.17	58,268	46,138	12,130
Telephone	0.06	0.09	(0.03)	622	933	(311)
Water	20.39	17.15	3.24	211,404	177,811	33,593
Trash	11.50	9.96	1.54	119,232	103,265	15,967
Total Utilities	37.57	31.65	5.92	389,526	328,147	61,379
Management Fee	0.00	0.56	(0.56)	0	5,806	(5,806)
Legal Fees	2.89	3.76	(0.87)	29,964	38,984	(9,020)
Investment Fees	0.85	0.85	0.00	8,813	8,813	0
Total Professional Fees	3.74	5.17	(1.43)	38,777	53,603	(14,826)
Custodial Services	0.68	0.24	0.44	7,050	2,488	4,562
Landscape - Contract	27.70	27.36	0.34	287,194	283,668	3,526
Landscape - Extras	3.86	3.62	0.24	40,020	37,532	2,488
Landscape - Trees	0.77	1.22	(0.45)	7,983	12,649	(4,666)
Green Waste Bins	0.00	0.00	0.00	0	0	0
Painting	0.72	0.52	0.20	7,465	5,391	2,074
Pest Control	2.49	2.59	(0.10)	25,816	26,853	(1,037)
Structural Repairs	3.67	3.57	0.10	38,051	37,014	1,037
Miscellaneous Services	1.93	2.17	(0.24)	20,010	22,499	(2,489)
Escrow Expense	0.00	0.05	(0.05)	0	518	(518)
Office Supplies	0.05	0.05	0.00	518	518	0
Standard Service	19.29	18.16	1.13	199,999	188,283	11,716
Total Services	61.16	59.55	1.61	634,106	617,413	16,693
State & Federal Taxes	0.47	0.24	0.23	4,873	2,488	2,385
Property & Liability Insurance	32.96	28.55	4.41	341,729	296,006	45,723
Total Taxes & Insurance	33.43	28.79	4.64	346,602	298,494	48,108
Operating Expenses	135.90	125.16	10.74	1,409,011	1,297,657	111,354
Income from Services						
Merchandise Sales	0.00	0.00	0.00	0	0	0
Laundry Machines	1.93	1.93	0.00	20,010	20,010	0
Total Services Income	1.93	1.93	0.00	20,010	20,010	0
Financial Income						
Interest Income	3.96	3.45	0.51	41,057	35,770	5,287
Interest Income Allocation	0.00	0.00	0.00	0	0	0
Gain / Loss in Investments	0.00	0.00	0.00	0	0	0
Late Charges	0.41	0.31	0.10	4,251	3,214	1,037
Inspection Fees	4.34	3.57	0.77	44,997	37,014	7,983
Buyers Premium Income	4.82	0.00	4.82	49,974	37,014	12,960
Miscellaneous	0.01	0.02	(0.01)	104	207	(103)
Parking Fines	0.00	0.00	0.00	0	0	0
Total Financial Income	13.54	7.35	6.19	140,383	113,219	27,164
Operating Income	15.47	9.28	6.19	160,393	133,229	27,164
Net Operating Cost	120.43	115.88	4.55	1,248,618	1,164,428	84,190
Reserve Funding	167.41	156.96	10.45	1,735,702	1,627,325	108,377
Total Mutual Costs	287.84	272.84	15.00	2,984,320	2,791,753	192,567
Allocated Trust Cost	193.23	172.03	21.20	2,003,409	1,783,607	219,802
Regular assessment	481.07	444.87	36.20	4,987,729	4,575,360	412,369

Property taxes are assessed to the stockholder's unit and are added to the regular assessment and become part of the monthly payment. Accordingly, they are excluded from the operating budget.

Assessment and Reserve Funding Disclosure Summary

Leisure World Seal Beach Mutual 2, Seal Beach

For Fiscal Year Beginning: 1/1/2023

of units: 864

1) Budgeted Amounts:	Total	Average Per Unit*
Reserve Contributions:	\$129,600.00	\$150.00
Total Assessment Income:	\$397,327.68	\$459.87

per: Month

- 2) Additional assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members:

Year	Total Amount Per Unit*	Purpose
Total: \$0.00		

- 3) Based on the most recent Reserve Study and other information available to the Board of Directors, at this point in time does it appear that currently projected Reserve account balances will be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years? **Yes**
- 4) If the answer to #3 is no, what additional assessments or other contributions/loans to Reserves would be necessary to ensure that sufficient Reserve Funds will be available each year during the next 30 years?

Approximate Fiscal Year Assessment Will Be Due	Average Total Amount Per Unit*

Total: \$0.00

- 5) All major components appropriate for Reserve Funding (components that are a common area maintenance responsibility with a limited life expectancy and predictable remaining useful life, above a minimum threshold cost of significance) are included in this Reserve Funding Plan: **Yes**

6) All computations/disclosures are based on the fiscal year start date of:	1/1/2023
Fully Funded Balance (based on formula defined in 5570(b)4):	\$8,079,801
Projected Reserve Fund Balance:	\$3,849,949
Percent Funded:	47.6 %
Reserve Deficit (surplus) on a mathematical avg-per-unit* basis:	\$4,896

From the 8/24/2022 Reserve Study by Association Reserves and any minor changes since that date.

* If assessments vary by the size or type of unit, allocate as noted within your Governing Documents.

- 7) See attached 30-yr Summary Table, showing the projected Reserve Funding Plan, Reserve Balance, Percent Funded, and assumptions for interest and inflation.

Prepared by: Sean Andersen

Date: 11/2/2022

The financial representations at the time of preparation are based on the Reserve Study for the fiscal year shown at the top of this page and the best estimates of the preparer. These estimates should be expected to change from year to year. Some information on this form has been provided to Association Reserves, and has not been independently verified.

**Leisure World Seal Beach Mutual 2**

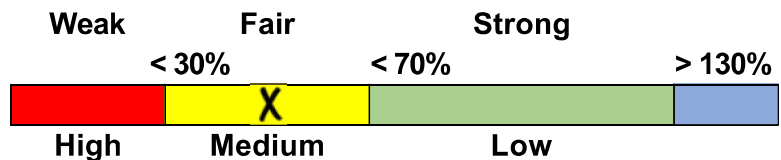
Seal Beach, CA

Level of Service: **Update "No-Site-Visit"**Report #: **22256-5**

of Units: 864

January 1, 2023 through December 31, 2023**Findings & Recommendations****as of January 1, 2023**

Projected Starting Reserve Balance	\$4,175,192
Current Full Funding Reserve Balance	\$8,079,801
Average Reserve Deficit (Surplus) Per Unit	\$4,519
Percent Funded	51.7 %
Recommended 2023 "Monthly Full Funding Contributions"	\$129,600
Alternate minimum contributions to keep Reserve above \$0	\$108,000
Most Recent Reserve Contribution Rate	\$129,600
Annual Deterioration Rate	\$1,090,820

Reserve Fund Strength: 51.7%**Risk of Special Assessment:****Economic Assumptions:**Net Annual "After Tax" Interest Earnings Accruing to Reserves **0.00 %**Annual Inflation Rate **3.00 %**

This is an Update "No-Site-Visit", and is based on a prior Report prepared by Association Reserves for your 2022 Fiscal Year. No site inspection was performed as part of this Reserve Study.

This Reserve Study was prepared by a credentialed Reserve Specialist, Sean Erik Andersen RS #68.

The Reserve Fund is between the 30% funded level and the 70% funded level at 51.7 % Funded, which is a fair position for the fund to be in. This means that the mutual's special assessment & deferred maintenance risk is currently medium. The objective of your multi-year Funding Plan is to Fully Fund Reserves and ultimately achieve a position of strength in the fund, where the mutual will enjoy a low risk of Reserve cash flow problems.

The Annual Deterioration rate for your Reserve Components is \$1,090,820.

Based on this starting point, your annual deterioration rate, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to maintain your Reserve contributions at \$129,600.

*The Alternative Contribution rate, also called Baseline Funding will keep the Reserve Funds above \$0. This figure for your mutual is \$108,000.

To receive a copy of the full Reserve Study, contact the Association.

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
Infrastructure				
103	Concrete Sidewalks- Repair/Replace	1	1	\$82,500
205	Add Ramps & Railings - Phase 1	50	0	\$42,000
205	Add Ramps & Railings - Phase 2	50	1	\$80,000
205	Asphalt - Repair & Seal	4	0	\$21,250
205	Asphalt - Resurface	24	8	\$150,000
205	Laundry Patio Concrete - (2024)	50	1	\$55,000
205	Laundry Patio Concrete - (2025)	50	2	\$22,000
317	Sump Pump - Replace	15	11	\$10,400
320	Pole Lights Phase 1 - Replace	25	0	\$370,000
320	Pole Lights Phase 2 - Replace	25	1	\$370,000
328	Re-Piping Phase 1 (2023) - Replace	50	0	\$380,000
328	Re-Piping Phase 2 (2024) - Replace	50	1	\$380,000
328	Re-Piping Phase 3 (2025) - Replace	50	2	\$380,000
328	Re-Piping Phase 4 (2026) - Replace	50	3	\$380,000
328	Re-Piping Phase 5 (2027) - Replace	50	4	\$380,000
328	Re-Piping Phase 6 (2028) - Replace	50	5	\$380,000
328	Re-Piping Phase 7 (2029) - Replace	50	6	\$380,000
328	Re-Piping Phase 8 (2030) - Replace	50	7	\$335,000
504	Iron Pipe Railings - Replace	35	32	\$14,000
702	Elect & Phone Doors - Replace	30	23	\$91,000
703	Attic Entry Doors - Replace	30	26	\$38,000
800	Laundry Doors - Replace	5	2	\$5,900
1001	Backflow Devices - Replace	1	0	\$1,650
1003	Irrigation Controllers - Replace	10	9	\$22,000
1005	Valves - Replace	1	0	\$19,000
1020	Trees - Trim/Remove/Maintain	1	0	\$13,000
1022	Landscape & Garden - Refurbish	1	0	\$4,400
1101	Re-Line Sewer System - Annual	1	0	\$150,000
1120	Wood Surfaces - Repair	1	0	\$22,000
1402	Signage - Replace	16	10	\$19,500
1870	Major Termite Treatment	1	0	\$19,000
Painting Projects				
1110	Laundry Rooms - Repaint	10	9	\$7,250
1113	Iron Railings - Repaint	5	2	\$1,850
1115	Exterior Surfaces (2027) - Repaint	10	4	\$485,000
1115	Exterior Surfaces (2028) - Repaint	10	5	\$485,000
1116	1116 Carport Wood Surf. & Pole	1	0	\$22,000

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
1116	Wood Surfaces - Repaint	5	0	\$106,000
Roofing Projects				
1303	Carport Roofs (2021) - Repair	10	9	\$33,000
1303	Carport Roofs (2026) - Replace	20	3	\$550,000
1303	Carport Roofs (2027) - Replace	20	4	\$550,000
1303	Comp Shingle Roof/Gutters (2040)	25	17	\$1,800,000
1303	Comp Shingle Roof/Gutters (2041)	25	18	\$1,960,000
1303	Comp Shingle Roof/Gutters (2042)	25	19	\$1,640,000
1303	Comp Shingle Roof/Gutters (2043)	25	20	\$1,640,000
1303	Comp Shingle Roof/Gutters (2045)	25	22	\$491,000
1303	Comp Shingle Roof/Gutters (2046)	25	23	\$1,800,000
1303	Comp Shingle Roof/Gutters (2047)	25	24	\$2,000,000
1310	Gutters/Downspouts - Repair	25	1	\$285,000
48 Total Funded Components				

Note 1: Yellow highlighted line items are expected to require attention in this initial year.



30-Year Reserve Plan Starting with Board of Directors 2023 Rate

22256-5

Fiscal Year Start: 1/1/2023					Interest: 0.00 %		Inflation: 3.00 %			
Reserve Fund Strength: as-of Fiscal Year Start Date					Projected Reserve Balance Changes					
					% Increase					
Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded		Special Assmt Risk	In Annual Reserve Funding	Reserve Funding	Loan or Special Assmts	Interest Income	Reserve Expenses
2023	\$3,849,949	\$8,079,801	47.6 %		Medium	0.00 %	\$1,555,200	\$0	\$0	\$1,170,300
2024	\$4,234,849	\$8,231,637	51.4 %		Medium	0.00 %	\$1,555,200	\$0	\$0	\$1,548,657
2025	\$4,241,393	\$8,020,839	52.9 %		Medium	0.00 %	\$1,555,200	\$0	\$0	\$788,567
2026	\$5,008,026	\$8,611,945	58.2 %		Medium	2.25 %	\$1,590,192	\$0	\$0	\$1,380,715
2027	\$5,217,502	\$8,637,199	60.4 %		Medium	2.25 %	\$1,625,971	\$0	\$0	\$1,991,925
2028	\$4,851,548	\$8,060,524	60.2 %		Medium	2.25 %	\$1,662,556	\$0	\$0	\$1,512,331
2029	\$5,001,773	\$7,987,933	62.6 %		Medium	2.25 %	\$1,699,963	\$0	\$0	\$852,016
2030	\$5,849,720	\$8,621,241	67.9 %		Medium	2.25 %	\$1,738,212	\$0	\$0	\$831,764
2031	\$6,756,169	\$9,324,058	72.5 %		Low	2.25 %	\$1,777,322	\$0	\$0	\$639,466
2032	\$7,894,025	\$10,285,053	76.8 %		Low	2.25 %	\$1,817,312	\$0	\$0	\$516,429
2033	\$9,194,908	\$11,441,804	80.4 %		Low	2.25 %	\$1,858,201	\$0	\$0	\$616,925
2034	\$10,436,184	\$12,571,150	83.0 %		Low	2.25 %	\$1,900,011	\$0	\$0	\$476,107
2035	\$11,860,088	\$13,922,064	85.2 %		Low	2.25 %	\$1,942,761	\$0	\$0	\$516,910
2036	\$13,285,940	\$15,315,405	86.7 %		Low	2.25 %	\$1,986,473	\$0	\$0	\$489,829
2037	\$14,782,584	\$16,823,681	87.9 %		Low	2.25 %	\$2,031,169	\$0	\$0	\$1,238,130
2038	\$15,575,622	\$17,653,056	88.2 %		Low	2.25 %	\$2,076,870	\$0	\$0	\$1,440,419
2039	\$16,212,074	\$18,106,246	89.5 %		Low	2.25 %	\$2,123,600	\$0	\$0	\$328,644
2040	\$18,007,030	\$19,760,378	91.1 %		Low	2.25 %	\$2,171,381	\$0	\$0	\$3,291,315
2041	\$16,887,095	\$18,456,065	91.5 %		Low	2.25 %	\$2,220,237	\$0	\$0	\$3,649,250
2042	\$15,458,081	\$16,788,738	92.1 %		Low	2.25 %	\$2,270,192	\$0	\$0	\$3,306,762
2043	\$14,421,512	\$15,470,286	93.2 %		Low	0.00 %	\$2,270,192	\$0	\$0	\$3,523,362
2044	\$13,168,342	\$13,936,698	94.5 %		Low	0.00 %	\$2,270,192	\$0	\$0	\$341,457
2045	\$15,097,078	\$15,683,405	96.3 %		Low	0.00 %	\$2,270,192	\$0	\$0	\$1,307,357
2046	\$16,059,912	\$16,538,046	97.1 %		Low	0.00 %	\$2,270,192	\$0	\$0	\$5,179,776
2047	\$13,150,328	\$13,481,655	97.5 %		Low	0.00 %	\$2,270,192	\$0	\$0	\$6,585,846
2048	\$8,834,674	\$8,938,799	98.8 %		Low	0.00 %	\$2,270,192	\$0	\$0	\$2,396,434
2049	\$8,708,433	\$8,629,837	100.9 %		Low	0.00 %	\$2,270,192	\$0	\$0	\$1,954,842
2050	\$9,023,783	\$8,823,181	102.3 %		Low	0.00 %	\$2,270,192	\$0	\$0	\$424,933
2051	\$10,869,042	\$10,656,570	102.0 %		Low	0.00 %	\$2,270,192	\$0	\$0	\$468,568
2052	\$12,670,667	\$12,560,208	100.9 %		Low	0.00 %	\$2,270,192	\$0	\$0	\$579,244

The following information (notice of insurance coverage, billing and collection procedures, assessments and foreclosure, payments, meetings and payment plans, information re CA Civil Code Sections 5920 and 5965, internal dispute resolution procedures, alternative dispute resolution, right to receive copies of minutes, and procedures for remodeling) is distributed to members of the Golden Rain Foundation and shareholders/homeowners of the Mutual Corporations. Throughout these notices, there are references to an “association.” The Mutual has been determined to be an association by the courts of this state.

NOTICE OF INSURANCE COVERAGE FOR THE MUTUAL CORPORATIONS AND THE GOLDEN RAIN FOUNDATION

This summary of the policies of insurance provides only certain information, as required by Section 5300 of the Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual insurance policies. Any GRF member may, upon written request and provision of reasonable notice, review the GRF’s insurance policies and, upon written request and payment of reasonable duplication charges, obtain copies of those policies. Although the GRF maintains the insurance policies specified in this summary, the GRF’s insurance policies may not cover your property, including personal property or real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. GRF members should consult their individual insurance broker or agent for appropriate additional coverage.

Insurer	Coverage	Limit	Deductible
Philadelphia Ins. Co.	Property	\$ 200,000,000	\$50,000
Chubb	Boiler & Machinery	\$ 100,000,000	\$ 1,000
Philadelphia Ins. Co.	Auto Liability	\$ 1,000,000	\$ 1,000
Philadelphia Ins. Co.	General Liability	\$ 2,000,000	\$10,000
Great American Ins.	Umbrella Liability	\$ 30,000,000	N/A
Allied World Assurance	Excess Umbrella	\$ 10,000,000	N/A
Chubb	Excess Umbrella	\$ 25,000,000	N/A
Great American Ins.	Pollution Legal Liability	\$ 5,000,000	\$25,000
Chubb	Crime	\$ 1,500,000	\$100,000
Chubb	Fiduciary	\$ 3,000,000	N/A
Chubb	Kidnap/Ransom/Extortion	\$ 1,500,000	N/A
Chubb	Workplace Violence	\$ 1,000,000	N/A
RSUI	Dir. & Officers (Mutuals)	\$ 5,000,000	\$50,000
AWAC/ARGO	Excess Dir. & Officers (Mutuals)	\$ 5,000,000	N/A
NAS/Lloyd’s of London	Cyber (Mutuals)	\$ 2,000,000	\$5,000
NAS/Lloyd’s of London	Cyber (GRF)	\$ 2,000,000	\$5,000
RSUI	Dir. & Officers (GRF)	\$ 5,000,000	\$100,000
AWAC/ARGO	Excess Dir. & Officers (GRF)	\$ 5,000,000	N/A
STARR	Errors & Omissions	\$ 2,000,000	\$50,000

The above insurance policies were in effect at the time the budget was prepared. The effective date of these policies is December 1st. We anticipate that the above policies may be renewed with some changes in limits and deductibles. In the event that any of the above policies are cancelled and not immediately replaced, or if there is a material change in coverage or deductible, you will be notified of that change or cancellation.

The coverage provided by these policies exceeds the levels required by law. Claims in excess of this coverage will not result in any direct individual liability by any member. However, there could be a proportionate assessment levied to pay the amount of any judgment in excess of the corporate coverage limits. Earthquake insurance is not provided due to cost and coverage prohibitions.

The property and general liability insurance policies provide coverage for the Golden Rain Foundation and Mutual Corporations. The Directors and Officers Liability policies provide separate coverage for the Mutual Corporations and the Golden Rain Foundation.

ANNUAL POLICY STATEMENT²
(Civil Code Section 5310)

1. CONTACT PERSON. The name and address of the person designated to receive official communications Mutual 02, pursuant to Civil Code Section 4035 shall be:

Golden Rain Foundation
P.O. Box 2069
Seal Beach, CA 90740
Attn: President, Mutual Two

2. MULTIPLE ADDRESSES. Members may submit a written request to Mutual 02's Contact Person identified in Section 1 above to add or remove a second address for delivery of the following notices according to subdivision (b) of Section 4040 of the Civil Code:
- a. Annual Budget Report and Annual Policy Statement, as well as the Year-End Report (Article 7 of the Civil Code, commencing with Section 5300 of Chapter 6);
 - b. Notices regarding assessment payments and delinquencies (Article 2 of the Civil Code, commencing with Section 5650 of Chapter 8); and
 - c. Notices regarding a trustee's sale pursuant to Civil Code Section 5710.
3. NOTICE LOCATION. The location designated for posting of a general notice for the Mutual 02, pursuant to paragraph (3) of subdivision (a) of Section 4045 of the Civil Code shall be:

Laundry rooms of Mutual 02

4. NOTICE BY INDIVIDUAL DELIVERY. A member may submit a written request to the Association Contact Person to receive general notices by individual delivery, pursuant to subdivision (b) of Section 4045 of the Civil Code.
5. RIGHT TO RECEIVE COPIES OF MINUTES. Members have the right to obtain copies of board meeting minutes, pursuant to subdivision (b) of Section 4950 of the Civil Code, by contacting the Mutual's Contact Person and/or stopping by the GRF Administration offices during posted business hours. Minutes of the Mutual's regular meeting of the Board of Directors are circulated to each building and posted in the laundry rooms of the Mutual. Copies of all minutes (except minutes of meetings in executive session), proposed minutes or summary minutes, as well as agendas for all open or executive session meetings can be obtained for a nominal fee from the Accounting Department in the Administration building.
6. RULES ENFORCEMENT POLICY: (pursuant to Section 5850 of the Civic Code)
All current Rules and Regulations can be located at the established website www.lwsb.com, click on Mutual 02 under Mutual section to access.
- a. If the Mutual adopts or has adopted a policy imposing any monetary penalty, including any fee, on any association member for a violation of the governing

² This summary includes a general description of the content of the report. Members may request a complete copy of the report at no cost to the member by submitting a written request to Golden Rain Foundation, P.O. Box 2069, Seal Beach, CA 90740.

documents, including any monetary penalty relating to the activities of a guest or tenant of the member, the board shall adopt and distribute to each member, in the annual policy statement prepared pursuant to Section 5310, a schedule of the monetary penalties that may be assessed for those violations, which shall be in accordance with authorization for member discipline contained in the governing documents.

- b. Any new or revised monetary penalty that is adopted after complying with subdivision (a) may be included in a supplement that is delivered to the members individually, pursuant to Section 4040.
 - c. A monetary penalty for a violation of the governing documents shall not exceed the monetary penalty stated in the schedule of monetary penalties or supplement that is in effect at the time of the violation.
 - d. The Mutual shall provide a copy of the most recently distributed schedule of monetary penalties, along with any applicable supplements to that schedule, to any member upon request.
7. FINE SCHEDULE: A schedule for fines relating to rule violations is included in the governing document Rules and Regulations Exhibit "D".

Exhibit “D”

Fine Schedule

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, except as otherwise set forth herein, may be assessed a monetary penalty in the following amounts:

Violation	1st Offense	2nd and each subsequent and/or continuation of offense
Residency/occupancy violations (e.g. unauthorized occupants, guests residing longer than permitted)	Notice to Comply in 48 hours	Notice and hearing and fine of up to \$500 and up to \$100 per/day for each additional day of non-compliance, for a maximum of 20 days.
Violation of Roof & Attic Access	Notice and hearing and up to \$1,000 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 and up to \$100 per/day for each additional day of non-compliance, for a maximum of 20 days

8. Pursuant to Civil Code Section 5850, additional documents will be distributed if and when other fine schedules may be prepared and duly adopted by the Board.
9. PROCEDURES FOR REMODELING: The following is a summary of requirements for Mutual 02 approval of a physical change to property, pursuant to Section 4765 of the Civil Code:
 - a. Mutual residents are permitted to remodel their apartment within the parameters of their Occupancy Agreement and applicable Mutual policy. Remodeling common areas or apartments is permitted only with respective Mutual Board approval. Plans for remodeling and selected contractor names must be submitted to, and approved by, the respective Mutual Board of Directors prior to commencement of work.
 - b. Rules and Regulations **Article II - Architectural Guidelines** - Section 2.2 – GRF Permit for Building Alterations/Additions.
 - i. In order to conduct any construction for the alterations and/or additions in the Shareholder's Unit within the Mutual buildings, the Shareholder must submit an application for issuance of a building permit to the Physical Property Department and obtain a GRF Building Permit for the alterations and/or additions. The Shareholder must provide the Physical Property Department with a written, signed proposal and contract between the Shareholder and the Contractor performing the work, which describes the work to be done by the Contractor, the fees to be paid, and the commencement and completion dates of the work. Such contract must be in the form of the appropriate Standard Form Contract provided by GRF and must be properly completed and signed by the Shareholder and contractor proposing to do the work. The Standard Form Contract will contain a per day penalty for every calendar day that exceeds the completion date set forth in the Contract. Said penalty to be paid by the Contractor to the Mutual. The Mutual Board, or its designee, may make an exception to the completion date and award an extension to the contractor without penalty due to unforeseen delays or problems. Mutual requires the signature of a Mutual Director on any building permit, building plans, and change orders issued for Unit remodeling and approved by GRF. No Shareholder shall make any structural alterations in the Unit or Mutual premises, or in the water, electrical conduits, plumbing, or other fixtures connected therewith, or remove any additions, improvements or fixtures from the Unit or Mutual premises, without the prior written consent of the Mutual and GRF.

BILLING AND COLLECTION PROCEDURES FOR THE MUTUAL 02 CORPORATION OF SEAL BEACH LEISURE WORLD

Prompt payment of your Regular Assessment and Property tax is essential to the financial health of your Mutual and enhances the value of your ownership in the corporation. In addition to the monthly regular assessment, you may have other charges, i.e. cable service or Service Repair Orders, charged to your account. Upon rare occasions, a special assessment may be levied by your Mutual. Your respective Board of Directors takes seriously its obligation to enforce the collection procedures set forth below. The presentation of this procedure is intended to fulfill your Board of Director's obligation to notify you under Section 5310(a)(7) of the California Civil Code.

Article XVI – Collection Policy

Mutual Two Rules and Regulations

- 1. Regular and Special Assessments.** Regular assessments are due and payable, in advance, on the first day of each month. If imposed, special assessments and reimbursement assessments shall be due and payable on the due date specified by the Mutual Board. Regular, special and reimbursement assessments (hereinafter collectively referred to as "Assessments"), interest, late charges, collection costs and reasonable attorney's fees, if any are imposed, are the personal obligation of the person who is the owner of the shares of stock associated with the Unit at the time when the assessment or other charge fell due.
- 2. Late Charges.** Assessments are delinquent fifteen (15) days after they become due. A late charge not exceeding ten percent (10%) or ten dollars (\$10.00), whichever is greater, may be applied if payment in full of any Assessment is not received thirty (30) days after the payment is due. A late charge will not be imposed more than once per delinquent installment.
- 3. Interest.** An interest charge at a rate not to exceed twelve percent (12%) per annum will be assessed against any outstanding balance, including delinquent Assessments, late charges, and cost of collection, which may include attorney's fees. Such interest charges shall accrue thirty (30) days after the Assessment becomes due and shall continue to be assessed each month until the account is brought current.
- 4. Additional Charges, Costs and Attorney's Fees.** Pursuant to Civil Code Section 5650(b), the Mutual is entitled to recover reasonable collection costs. Such collection costs include, without limitation: All late charges, interest, attorney's fees, management costs, mailing costs, recording costs, publication costs and service costs. Such collection costs will become the liability of the delinquent Shareholder. It is the policy of the Mutual not to routinely waive any duly imposed collection costs. Please also note that returned checks may be subject to a service fee.
- 5. Application of Payments on Delinquent Assessments.** Payments received on delinquent Assessment accounts will be applied first to the Assessments owed, and then applied to collection costs, administration fees, attorney's fees, late charges interest, and any other amount due to the Mutual in connection with collection of delinquent Assessments.

- 6. Special Assessment.** If a special Assessment is payable in installments and an installment payment of that special Assessment is delinquent for more than thirty (30) days, all installments will be accelerated, and the entire unpaid balance of the special Assessment shall become immediately due and payable. The remaining balance shall be subject to late charges, interest, costs of collection, and lien rights as provided herein.
- 7. Unlawful Detainer.** If the delinquent Shareholder does not bring the account current within thirty (30) days of notice of the delinquency, the Mutual can seek unlawful detainer and eviction pursuant to the terms of the Shareholder's Occupancy Agreement.
- 8. Partial Payments.** Any Assessment payments received from a delinquent Shareholder will be applied to that Shareholder's account. However, absent receipt of payment in full of all amounts due, the Mutual will proceed with any unlawful detainer action initiated against the Shareholder's separate interest, or the delinquent Shareholder personally, pursuant to and consistent with the requirements of California statutory and case law unless the payments are remitted pursuant to a written payment plan approved by the Mutual Board.
- 9. Lawsuit.** The Mutual may, at any time, determine to file a personal lawsuit against the delinquent Shareholder to recover all delinquent charges pursuant to relevant law. All costs and attorneys fee in connection with the lawsuit, in addition to the delinquent charges and other collection costs, will be sought from the delinquent Shareholder.
- 10. Attorney's Fees.** If a lawsuit or unlawful detainer action is initiated by the Mutual to recover Assessments, the Mutual is entitled to recover not only the amount in default, but also reasonable costs of collection, including title company charges and attorney's fees as provided for by statute, as well as the Mutual's Bylaws, the Shareholder's Occupancy Agreement, and/or other Governing Documents.
- 11. Suspend Privileges and Voting Rights.** The Board may, having provided the Shareholder with a Notice of Hearing pursuant to Civil Code Section 5855, suspend the common area privileges and voting rights of any Shareholder who is more than thirty (30) days delinquent in paying any Assessment. Common area privileges and voting rights will remain suspended until the delinquency, including any accumulated penalties, interest, and costs of collection, has been paid in full.
- 12. Secondary Address.** Shareholders have a right to identify in writing to the Mutual a secondary address for purposes of, without limitation, collection notices delivered pursuant to this Article XV. Upon receipt of a written request from a Shareholder identifying a secondary address, the Mutual shall send notices to that secondary address.
- 13. No Right of Offset.** There is no right of offset. A Shareholder may not withhold Assessments owed to the Mutual on the alleged grounds that the Shareholder would be entitled to recover money or damages from the Mutual based on some other obligation or some claim of another obligation.
- 14. Charges and Fees Subject to Change.** All charges and fees set forth in this Article XV are subject to change upon rule change notification to the Shareholders.
- 15. Dismissal of Action Upon Payment.** Within twenty-one (21) days of payment in full of all delinquent Assessments and charges, the attorney will dismiss the unlawful detainer action, and will provide the Shareholder with a copy of such dismissal.

- 16. Right to Receipt.** When a Shareholder makes a payment, the Shareholder may request a receipt and the Mutual shall provide same which shall indicate the date of payment and person who received such payment.
- 17. Physical Address.** The physical address for making payments is the Golden Rain Foundation, 13531 St. Andrews Drive, Seal Beach, CA 90740. The mailing address is the Golden Rain Foundation, P.O. Box 2069, Seal Beach, CA 90740. The Golden Rain Foundation is the trustee and/or managing agent for the Mutual Corporations.

NOTICE ASSESSMENTS AND FORECLOSURE

This notice outlines some of the rights and responsibilities of owners of property in common interest developments and the associations that manage them. Please refer to the sections of the Civil Code indicated for further information. A portion of the information in this notice applies only to liens recorded on or after January 1, 2003. You may wish to consult a lawyer if you dispute an assessment.

ASSESSMENTS AND FORECLOSURE

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure, or without court action, often referred to as non-judicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or non-judicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months delinquent, an association may use judicial or non-judicial foreclosure subject to the conditions set forth in Article 3 (commencing with Section 5700) of Chapter 8 of Part 5 of Division 4 of the Civil Code. When using judicial or non-judicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections 5700 through 5720 of the Civil Code, inclusive)

In a judicial or non-judicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use non-judicial foreclosure to collect fines or penalties, except for costs to repair common area damaged by a member or a member's guests, if the governing documents provide for this. (Section 5725 of the Civil Code)

The association must comply with the requirements of Article 2 (commencing with Section 5650) of Chapter 8 of Part 5 of Division 4 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association. (Section 5675 of the Civil Code)

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail, including a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt. (Section 5660 of the Civil Code)

If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide an owner certain documents in this regard. (Section 5685 of the Civil Code)

The collection practices of the association may be governed by state and federal laws regarding fair debt collection. Penalties can be imposed for debt collection practices that violate these laws.

PAYMENTS

When an owner makes a payment, the owner may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person who received it. The mailing address for overnight payments is listed below. (Section 5655 of the Civil Code)

Seal Beach Mutual 02
P.O. Box 60017
City of Industry, CA 91716-0041

An owner may, but is not obligated to, pay under protest any disputed charge or sum levied by the association, including, but not limited to, an assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise.

An owner may dispute an assessment debt by submitting a written request for dispute resolution to the association as set forth in Article 2 (commencing with Section 5900) of Chapter 10 of Part 5 of Division 4 of the Civil Code. In addition, an association may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 3 (commencing with Section 5925) of Chapter 10 of Part 5 of Division 4 of the Civil Code, if so requested by the owner. Binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.

An owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. (Section 5685 of the Civil Code)

MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a time-share interest may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exists. (Section 5665 of the Civil Code)

The board must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment. These payment plans must conform to the payment plan standards of the association, if they exist. (Section 5665 of the Civil Code)

**INFORMATION REGARDING CALIFORNIA CIVIL CODE SECTIONS 5920 and 5965
CONCERNING INTERNAL DISPUTE RESOLUTION PROCEDURE
AND ALTERNATIVE DISPUTE RESOLUTION**

California Civil Code Section 5965 requires that the association furnish you with the following information concerning the provisions of the code section related to Alternative Dispute Resolution (ADR). Civil Code Section 5920 requires that you be notified concerning Internal Dispute Resolution Procedure (IDR) and that we furnish you with the following information concerning the provisions of the Code Section, usually at the time that the budget is delivered, or some other convenient time as specified by the Civil Code. The provisions, in summary form, are as follows:

INTERNAL DISPUTE RESOLUTION PROCEDURE

1. The Internal Dispute Resolution Procedure (IDR) is set forth commencing with Civil Code Section 5915 and requires the association to provide an expeditious procedure for the determination of disputes between the association and any resident. The sections therein require the following: (a) any party may submit a written request to “meet and confer” in an effort to resolve the dispute, (b) a member of an association may refuse a request to meet and confer; the association may not refuse a request to meet and confer, (c) the board shall designate a member of the board to meet and confer, (d) the parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute, and (e) a resolution of the dispute agreed to by the parties shall be put in writing and signed by the parties, including the board designee on behalf of the association.
2. An agreement reached under this procedure binds the parties and is judicially enforceable if both of the following conditions are satisfied: a) The agreement is not in conflict with law or the governing documents of the common interest development or the association, and b) the agreement is consistent with the authority granted by the board of directors to its designee or the agreement is ratified by the board of directors. A member of the association may not be charged a fee to participate in the process.
3. As required by Civil Code Section 5920, Mutuals that have adopted their own IDR process pursuant to California Civil Code Section 5910 shall include a description of said IDR process in their individual budget reports.

MUTUAL OPERATIONS**MUTUAL ADMINISTRATION****Internal Dispute Resolution – IDR – Except Mutual Twelve**

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

- (1) The member may request the Mutual Board to meet and confer in an effort to resolve a dispute. The request shall be in writing.
- (2) A member may refuse a request to meet and confer with the Board of Directors. The Board of Directors may not refuse a request to meet and confer with the members.
- (3) The Board of Directors shall designate a minimum of two (2) Board Directors to meet and confer with the member. The member may bring another person and/or legal representative to the meet and confer.
- (4) The parties shall meet promptly at a mutually convenient time and place to explain their positions to each other in an effort to resolve and dispute.
- (5) Any proposed resolution of the dispute shall be memorialized in writing and brought to the next Mutual Monthly Meeting for the Board’s consideration and final approval.
- (6) All such IDRs are considered to be confidential and may only be discussed in Executive Session.
- (7) Any final agreement between the Board of Directors and the member shall be in writing and signed by all parties.

MUTUAL ADOPTION

ONE:	SIX:	TWELVE: (See Policy 7731.12)-July 2015
TWO:	SEVEN:	FOURTEEN:
THREE:	EIGHT:	FIFTEEN:
FOUR:	TEN:	SIXTEEN:
FIVE: <u>(See Policy 7731.5)</u>	ELEVEN:	SEVENTEEN: 05-13-15

ALTERNATIVE DISPUTE RESOLUTION

1. Prior to filing a civil action either by Golden Rain Foundation, a Mutual or by an owner of a Mutual share, which action is solely for declaratory, injunctive, or writ relief, or for that relief in conjunction with a claim for monetary damages not in excess of the jurisdictional limits stated in Sections 116.220 and 116.221 of the Code of Civil Procedure, Civil Code Section 5930 requires that the parties shall endeavor to submit their dispute to Alternative Dispute Resolution (ADR), such as mediation, arbitration, conciliation, or other non-judicial procedure that involves a neutral party in the decision-making process. This section does not apply to a small claims action or, except as otherwise provided by law, to an assessment dispute.
2. The form of alternative dispute resolution may be binding or non-binding at the option of the parties. Any party to such dispute may initiate the process by serving upon all other parties to the dispute a "REQUEST FOR RESOLUTION." The Request for Resolution shall include all of the following: (a) A brief description of the dispute between the parties; (b) A Request for Alternative Dispute Resolution; (c) A notice that the party receiving the Request for Resolution is required to respond thereto within thirty (30) days of receipt or the request will be deemed rejected; and (d) If the party on whom the request is served is the owner of a separate interest, a copy of Civil Code 5925 et seq. shall be provided.
3. The service of the Request for Resolution shall be either by personal delivery, first class mail, express mail, facsimile transmission, or other means reasonably calculated to provide actual notice to the party on whom the request is served.
4. The party receiving the Request for Resolution shall have thirty (30) days to accept or reject the request. In the event no such response is received, the Request is deemed "rejected."
5. If the party on whom a Request for Resolution is served accepts the request, the parties shall complete the alternative dispute resolution within ninety (90) days after receipt of the acceptance by the party initiating the request, unless this period is extended by written stipulation signed by both parties.
6. The costs of the alternative dispute resolution shall be borne by the parties.
7. If a Request for Resolution is served before the end of the applicable time limitation for commencing an enforcement action (as defined by Civil Code §5925(b) the time limitation is tolled during the following periods: (a) The period provided in Section 5935 for response to a Request for Resolution, (b) If the Request for Resolution is accepted, the period provided by Section 5940 for completion of alternative dispute resolution, including any extension of time stipulated by the parties pursuant to Section 5940.
8. At the time of commencement of an enforcement action (as defined in Civil Code §5925(b)), the party commencing the action shall file with the initial pleading a certificate stating that one or more of the following conditions is satisfied: (1) Alternative dispute resolution has been completed in compliance with this article; (2) One of the other parties to the dispute did not accept the terms offered for alternative dispute resolution; (3) Preliminary or temporary injunctive relief is necessary.

Failure to file a certificate pursuant to Civil Code §5950 is grounds for a demurrer or a motion to strike unless the court finds that dismissal of the action for failure to comply with this article would result in substantial prejudice to one of the parties.

9. After an enforcement action (as defined in Civil Code §5925) is commenced, on written stipulation of the parties, the matter may be referred to alternative dispute resolution. The referred action is stayed. During the stay, the action is not subject to the rules implementing subdivision (c) of Section 68603 of the Government Code. The costs of the alternative dispute resolution shall be borne by the parties.
10. In an enforcement action (as defined by Civil Code 5925(b)) in which fees and costs may be awarded, the court, in determining the amount of the award, may consider whether a party's refusal to participate in alternative dispute resolution before commencement of the action was reasonable.
11. Except on agreement by the parties to the contrary, anything said, or admissions made in the course of alternative dispute resolution shall not be admissible into evidence in a trial. Documents prepared in preparation for or during the course of alternative dispute resolution shall not be admissible into evidence and disclosure of those documents may not be compelled in a civil action.
12. Failure of a member of the association to comply with the alternative dispute resolution requirements of Section 5930 of the Civil Code may result in the loss of your right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law.

CHARGES FOR DOCUMENTS PROVIDED AS REQUIRED BY CALIFORNIA CIVIL CODE SECTION 4525* **

Mutuals 1-12 and 14-17 contract with Golden Rain Foundation to provide administrative assistance, including, but not limited to, addressing Civil Code Section 4525 requirements (i.e., this Document Disclosure Summary Form), and oversight of the Mutuals' finances, periodic disclosures to the membership, rule violation notices, and maintenance and repair issues, all at the ultimate direction of the Mutuals' Board of Directors.

The seller (Shareholder) may, in accordance with Section 4530 of the Civil Code, provide to the prospective purchaser (Member), at no cost, current copies of any documents specified by Section 4525 that are in the possession of the seller (Shareholder).

A seller (Shareholder) may request to purchase some or all of these documents, but shall not be required to purchase ALL of the documents listed on this form.

Property Address: _____

Owner (Shareholder) of Property: _____

Owner's (Shareholder's) Mailing Address (If known or different from property address.): _____

Provider of the Section 4525 Items:

Print Name: _____ Position or Title: _____ Association or Agent: Golden Rain Foundation

Date Form Completed: _____, 20____

Check or Complete Applicable Column or Columns Below:

<u>Document</u>	<u>Civil Code Section</u>	<u>Included</u>	<u>Fee</u>	Not Available(N/A) or Not Applicable (N/App), or directly provided by seller and confirmed in writing by seller as a current document (DP)
Articles of Incorporation or statement that not incorporated	Section 4525(a)(1)	X	\$10.00	
Trust Agreement	Section 4525(a)(1)	X	\$15.00	
**CC&Rs	Section 4525(a)(1)	X	\$15.00	
Bylaws	Section 4525(a)(1)	X	\$15.00	
Operating Rules	Section 4525(a)(1)	X	\$15.00	
Age restrictions	Section 4525(a)(2)	X	\$8.00	
Rental restrictions	Section 4525(a)(9)		\$8.00	
Annual budget report or summary, including reserve study	Section 5300 and 4525(a)(4)	X	\$25.00	
Assessment and reserve funding disclosure summary	Sections 5300 and 4525(a)(4)	X	\$20.00	
Financial statement review	Sections 5305 and 4525(a)(3)	X	\$25.00	
Assessment enforcement policy	Sections 5310 and 4525(a)(4)	X	\$10.00	
Insurance summary	Sections 5300 and 4525(a)(3)	X	\$10.00	
Regular assessment	Section 4525(a)(4)	X	Included w/required statement of fees	
Special assessment	Section 4525(a)(4)		Included w/required statement of fees	

Emergency assessment	Section 4525(a)(4)		Included w/required statement of fees
Other unpaid obligations of seller	Section 5675 and 4525(a)(4)		Included w/required statement of fees
Approved changed to assessments	Sections 5300 and 4525(a)(4),(8)	X	\$25.00
Settlement notice regarding Common Area defects	Sections 4525(a)(6), (7) and 6100		\$8.00
Preliminary list of defects	Sections 4525(a)(6), 6000 and 6100		\$8.00
Notice(s) of violations	Section 5855 and 4525(a)(5)		\$8.00
Required statement of fees	Section 4525	X	\$150.00
Minutes of regular meetings of the Board of Directors conducted over the previous 12 months, if requested	Section 4525(a)(10)		\$35.00
Total fees for these documents:			<u>\$395.00</u>

*The information provided by this form may not include all fees that may be imposed before the close of escrow. Additional fees that are not related to the requirements of Section 4525 may be charged separately. Note, Golden Rain Foundation

**This document is applicable to Mutual Seventeen, only.

Request for Annual Notice of Address, Representative and Rental Status

Civil Code, Section 4041 requires each owner of a separate interest to provide written notice to the Association of all the following information annually. Please provide the information in the form below and return the completed form to the Association within 30 days. If the requested information is not provided, the property address of the Owner's separate interest will be used for notices.

1. The address or addresses to which notices from the Association are to be delivered.

2. An alternate or secondary address to which notices from the Association are to be delivered.

3. The name and address of your legal representative, if any, including any person with power of attorney, or other person who can be contacted in the event of your extended absence from the separate interest.

4. Is the separate interest --

- ☐ Owner-occupied? ☐ Rented out? ☐ Developed, but vacant?
☐ Undeveloped?

5. Member Name

Property Address

6. Return form to:

ELECTRONIC CONSENT FORM

SEAL BEACH MUTUAL NO. TWO

Pursuant to *Civil Code* §4040 and *Corporations Code* §20, the undersigned shareholder of Seal Beach Mutual No. Two, a California corporation ("Mutual"), hereby consents to receipt of all documents from the Mutual by Electronic Transmission, including without limitation all documents that the Mutual is required to provide to its members by "individual delivery" as defined in *Civil Code* § 4040, on request, on a periodic basis, and/or on as-needed basis. Execution of this Electronic Consent Form ("Form" or "Agreement") is recommended and greatly appreciated because it will make the delivery of documents efficient and reduce the Mutual's mailing costs. Please return this Form to the Mutual by U.S. mail, personal delivery, or via electronic mail at the address provided below.

I/we, _____ ("Shareholder"), shareholder(s) of the Mutual via an occupancy agreement for the unit located at _____, Seal Beach, CA 90740, hereby agree and provide express consent to the Mutual to receive any and all documents, notices, and correspondence (collectively, "Documents") from the Mutual via Electronic Transmission as defined by *Corporations Code* §20, which states the following:

"Electronic transmission by the corporation" means a communication (a) delivered by (1) facsimile telecommunication or electronic mail when directed to the facsimile number or electronic mail address, respectively, for that recipient on record with the corporation, (2) posting on an electronic message board or network which the corporation has designated for those communications, together with a separate notice to the recipient of the posting, which transmission shall be validly delivered upon the later of the posting or delivery of the separate notice thereof, or (3) other means of electronic communication, (b) to a recipient who has provided an unrevoked consent to the use of those means of transmission for communications under or pursuant to this code, and (c) that creates a record that is capable of retention, retrieval, and review, and that may thereafter be rendered into clearly legible tangible form. However, an electronic transmission under this code by a corporation to an individual shareholder or member of the corporation who is a natural person, and if an officer or director of the corporation, only if communicated to the recipient in that person's capacity as a shareholder or member, is not authorized unless, in addition to satisfying the requirements of this section, the consent to the transmission has been preceded by or includes a clear written statement to the recipient as to (a) any right of the recipient to have the record provided or made available on paper or in

nonelectronic form, (b) whether the consent applies only to that transmission, to specified categories of communications, or to all communications from the corporation, and (c) the procedures the recipient must use to withdraw consent.

The Documents may be sent to me/us via Electronic Transmission at the following contact (fill in as applicable):

- Email(s): _____

Please be advised that you are not required to receive the Documents via Electronic Transmission. You have a right to receive “individual notice” of the Documents in paper form through U.S. mail. If you prefer to receive Documents via U.S. mail, do not execute this Agreement.

This Agreement may be withdrawn or revoked in whole, or in part, by sending the Mutual a written revocation of consent, signed and dated by the undersigned Shareholder, to the Mutual at the below address.

Please fill out, sign, and return this Agreement to the Mutual at the following address:

Seal Beach Mutual No. Two
c/o Mutual Administration Department
P.O. Box 2069
Seal Beach, CA 90740
Email: MutualSecretaries@lwsb.com

SHAREHOLDER(S):

Date: _____

Signed: _____

Print Name: _____

Date: _____

Signed: _____

Print Name: _____