

**WELCOME TO MUTUAL FOUR
LEISURE WORLD, SEAL BEACH**

SHAREHOLDER INFORMATION BOOKLET

The Mutual Four Board of Directors has prepared this publication to supplement and, in some cases, clarify information presented in the Occupancy Agreement and Mutual policies.

To view in another language, access through: www.lwsb.com/mut04

MUTUAL PRESIDENT: _____ Phone: _____

ASSIGNED DIRECTOR: _____ Phone: _____

BUILDING CAPTAIN: _____ Phone: _____

IMPORTANT TELEPHONE NUMBERS

Service Maintenance	431-3548
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For visitor clearance and after-hours maintenance:

Security	594-4754
Administration Office	431-6586
Stock Transfer	ext. 347
Accounting	ext. 336
Recreation	ext. 324
Physical Property	ext. 351
Golden Rain Board	ext. 303

A WELCOME TO NEW SHAREHOLDERS OF MUTUAL FOUR

We hope the attached information will answer some of the questions you may have about living in Mutual Four. Each Mutual is self-governed and has its own set of governing rules. Not all regulations throughout Leisure World are the same; they vary according to the policies adopted by the Mutual in which you live. The rules and operating procedures explained in this publication have been adopted by the Directors of Mutual Four. If you have questions, please feel free to contact your assigned Director.

Your Mutual Directors are Mutual residents, or shareholders, who volunteer to serve on the Board of Directors. As volunteers, they receive no salary or any other compensation. Each one of us has a responsibility to give of our time and effort in order to keep our way of living a pleasant, enjoyable experience and to keep our costs down. Other volunteer positions are Building Captain, Emergency Preparedness Volunteer, Board Director, and Golden Rain Foundation Representative. Your volunteering is important to the overall welfare of the community. Perhaps you will consider serving in some capacity. Please contact your assigned Director if you are willing to serve.

Also, if you have any ideas or suggestions to make Mutual Four or Leisure World a more enjoyable place to live, please let us know.

Thank you, and again, welcome to Mutual Four from your Directors.

GENERAL INFORMATION

WHAT DOES IT MEAN TO LIVE IN A COMMON INTEREST DEVELOPMENT?

Living in a common interest development and stock cooperative is different from owning your own home outside of Leisure World. We have policies and rules that may feel restrictive as compared to owning your own home. It is very important to understand the structure of our community. Most people in Leisure World may feel that the trade-off of having the Mutual take care of many responsibilities you once had versus living in your own home is very desirable. It takes a while to understand the policies and requirements of living in a stock cooperative. For example, for most improvements done on your apartment, a permit and an approved contractor are required. Also, everything outside of the footprint of your unit is common area that is owned in common by the Mutual. Once a year a Mutual Director and the Physical Property Inspector inspects every apartment for safety and rules compliance. (You will receive a three-day notice prior to that inspection.) A good practice for every shareholder is to ask first before moving forward with projects. We always welcome questions and, if we don't know the answer, we will find out.

As a shareholder in Mutual Four, you will receive several important documents from the Stock Transfer Office including your Occupancy Agreement, Mutual Four Articles of Incorporation and Bylaws, important disclosures, the Articles of Incorporation and Bylaws of the Golden Rain Foundation and several brochures concerning Leisure World. Combined, they will inform you about the structure and operation of our community, as well as the shareholder's rights, privileges and responsibilities. You will also find information regarding

the numerous activities, clubs, medical facilities, religious organizations, etc., along with important phone numbers.

THE OCCUPANCY AGREEMENT

This is a binding agreement which we all signed upon becoming stockholders in Mutual Four. It is the basic contract containing the rules of the community. By agreeing to observe and abide by these rules, each member agrees to abide by the policies which serve the greater good and well-being of the community.

THE MUTUAL CORPORATION/STOCK COOPERATIVE

The Mutual Corporation owns, operates, and maintains the buildings and grounds of the Mutual. The apartment you occupy represents a share of stock you purchased in Mutual Four in Leisure World. The actual ownership of the building remains with the Corporation.

Mutual Four is made up of 33 apartment buildings, 396 apartments, nine carport buildings, and eight laundry rooms. Each building is assigned to a Director who is responsible for providing problem solving and assistance to shareholders.

THE MUTUAL BOARD OF DIRECTORS

Mutual Four's Bylaws require the Board to abide by the Davis-Stirling Common Interest Development Act. The Davis-Stirling Act requires transparency and requires a vote of the shareholders regarding any change to governing documents. Shareholders also have 30 days to give input to any proposed policy change. We have seven directors on our board who are elected every year by mailed ballots. Terms are for two

years and elections are staggered. Each apartment receives one mailed ballot. Votes are counted at the annual stockholders meeting, held in May.

The board deals with matters pertaining to policies and physical property maintenance, develops the yearly operating budget, maintains reserve accounts, manages Mutual landscaping and addresses shareholder issues which arise that require attention.

The Board meets regularly on the second Wednesday of each month to conduct Mutual business. At 9:15 a.m. we have an open forum to allow shareholders to talk about any topic. At 9:30 a.m., the formal meeting begins. Meetings are open to all Mutual Four shareholders and we encourage you to attend.

We organize responsibilities in the Mutual among the Directors by assigning groups of buildings and committees to specific directors. These assignments are posted in the laundry rooms along with contact information.

OPERATING BUDGET AND RESERVES

Annual budgets list normal operating expenses such as utilities, water, grounds maintenance, etc. In preparing our annual budget, the Board projects the anticipated costs for the coming year and allocates funds in each category for the daily cost associated with operating the Mutual. Reserve funds are required by law to cover repairs and major upkeep in the future. There is a financial report in the minutes every month.

Anytime the Mutual pays for a repair every resident pays a portion of the cost. To control costs, it is each resident's responsibility to treat the grounds and facilities with care.

POSTINGS IN LAUNDRY ROOMS

Board Meeting agendas are posted four days before the coming meeting. Monthly Board Meeting Minutes are posted as soon as they have been typed, edited and reproduced. Board Minutes are also circulated around each building for shareholders to read, sign and pass on.

When we determine there is a need to adopt new policies or revisions to existing policies, we post 30-Day Notices in the laundry rooms to get opinions from shareholders before the policy goes into effect. You can respond on forms provided with the posting, write a letter to the Board or come to the open forum at the next meeting.

Each shareholder is responsible to check the laundry room bulletin boards for all postings.

BUILDING CAPTAINS

Each building has a volunteer Building Captain who is a contact person for the building. The Captain helps directors disburse information and participate in the annual “California Shakeout” earthquake drills.

GUIDELINES FOR COOPERATIVE LIVING

Your Board of Directors desires that the affairs of the Mutual be conducted with a minimum of rules and regulations. Over time more policies have been established as shareholders express the need for written guidelines. Please follow these guidelines

FIRE PREVENTION AND SAFETY

Smoke alarms must be kept connected to electricity and “on” at all times. In case of emergency, it is important that the walkway to your apartment and patio area are not obstructed by electric carts, bicycles, potted plants or anything else that might impede access to your apartment by security or emergency personnel. Malfunctioning equipment, such as smoke alarms, plumbing problems, burned out walkway or carport lights, and uneven sidewalks should be reported to a Director.

APARTMENT ALTERATIONS, ROOM ADDITIONS AND OTHER APARTMENT ALTERATIONS

Plans and specifications in detail must be presented to the Physical Property Department before any work can begin. Most modifications require a permit from Leisure World that must be approved by Physical Property and the Mutual. Many modifications also require a permit from the City of Seal Beach.

Any modifications to the building that results in a change from the standard will be your responsibility to maintain. At the time of resale, the new buyer must accept responsibility for maintaining the nonstandard changes.

PAINTING

Interior Painting

Residents may paint the interior of their apartments, with the possible exception of certain ceilings which may contain heating elements. No permit is required for interior painting. If you want to paint the ceiling, please contact your physical property inspector.

Exterior Painting

The outside of the Mutual buildings, carports, walls and standard doors are painted periodically by the Mutual. The interiors of enclosed patios are not painted by the Mutual. Any remodeling to the apartments must conform to the color scheme selected by the Mutual.

LANDSCAPING AND GARDENING

All garden flower beds and turf areas are owned by the Mutual which we refer to as common area. Please be aware of the Mutual's garden policy and preferences. The garden area is for flowers and plants, but not trees, storage or furniture. Please plant in the ground rather than using pots in the gardens.

Lawns are mowed and landscaping maintained by the landscape contractor hired by the Mutual. Spraying and watering or tending of flowers or other plants in your garden area is your responsibility. The landscaping gardeners weed flower beds periodically. If you prefer to do your own weeding, place a red flag in your garden which you can obtain from the Landscape Chair.

Trees in the turf area may not be planted or removed without prior approval of the Board.

All special requests for landscaping or gardening must be channeled through the Director assigned to landscaping supervision. Some services will be at your expense.

GARBAGE DISPOSALS

Proper use of your garbage disposal will reduce or eliminate repair costs. Please use your disposal as little as possible. Our aging sewer lines require extra precautions. When using the garbage disposal, turn on the cold water first. With the water running, turn on the disposal and slowly feed a small amount of garbage into the disposal. Do not stuff your waste too fast. When grinding is finished, turn off the disposal and let the water continue to run for one minute.

Throw fibrous material such as celery, cilantro, and onion skins in your trash.

Handling Grease – Do not put any grease or oil down the disposal. Use paper towels to soak up grease and oil and toss in trash.

You may be charged for repairs or replacement if you damage the disposal. If the disposal stops, press the reset button on the underside of the disposal before calling Service Maintenance.

CLEANING STOVE TOPS

The electric "Smart" burners on the stovetops must be cleaned carefully. Gently lift a burner and drip pan as one unit. Do not try to remove just the burner as this will damage the stove. Separate the burner and drip pan so you can wash the pan. Do not submerge the burner in water. When the drip pan is dry, slip the burner back into the

drip pan making sure that it fits in the slot on the pan. Hold two together and gently reconnect to stovetop.

To clean the area underneath the burners and drip pans, lift the front edge. Hinges on the back edge of the stove surface allow you to lift the front. Raise the brace under the lid to hold the surface top up and free your hands to clean underneath.

PATIOS

Patios are to be kept neat and clean at all times. You are not permitted to hang laundry on your patio. Tools, gardening equipment not immediately being used, and other items should be stored in a carport cabinet or patio cabinet if you have one. Upholstered furniture, neglected plants, or other items that detract from the appearance of the entire building and area are not to be left on the patio. Barbecues and hibachis are permitted but, according to Fire Department regulations, you must move them out of the patio while in use. Only outdoor furniture is allowed on patios. We request that shareholders respect neighbors by keeping their patios attractive, neat, and free of storage.

RECYCLING AND TRASH DISPOSAL

Trash and recycle bins are located at the ends of the carport buildings. Recyclable items go into the white bins. A list of these items can be obtained from your Director. Please break down and flatten all cardboard boxes. Recyclable items, including newspapers, should be placed loose in the white bin.

Trash and garbage go into the green bins. Place garbage in plastic or paper bags. Trash collection is done twice a week. Contractors are not allowed to place their trash in our bins. Items that are too large to fit in the bin may NOT be left in the area. You may call Service Maintenance and arrange for their pickup, at your expense, or take them to the large dumpster near the Mini Farms on Oak Hills Drive. If you see other residents or contractors leaving any materials near the bins, please remind them that this practice is not allowed. If you prefer, call Security immediately and report the violation.

LAUNDRY ROOMS

Laundry facilities are for the use of Mutual Four shareholders exclusively. Nonresidents are not permitted to use our washing or drying machines nor are Mutual Four residents allowed to wash clothing for persons not living here. An exception is allowed for a full time caregiver who lives with a Mutual Four resident.

Laundry room hours are from 7:00 a.m. to 9:00 p.m., Monday through Saturday and 8:00 a.m. through 9:00 p.m., on Sunday. Please obey the Laundry Room Rules which are posted on bulletin boards in the laundry rooms. Do not put wet, hand washed laundry in the dryers as they are designed to accommodate wash that has been thoroughly spun dry. Clothes lines are for that purpose. Dying or tinting items in the washers, washing sandy or greasy clothes, or washing rubber-backed throw rugs is strictly prohibited.

The cost of replacement or maintenance and repair of laundry machines is shared by all Mutual Four residents. It costs all of us extra money if our facilities are abused.

If any laundry equipment appears to not be working properly, please put an out-of-order slip on the machine. These slips are clipped on the bulletin board in the laundry room. Call the Wash Company, report the machine number, and describe the problem.

FRONT DOOR LOCKS

Locks should not be changed without notifying your Mutual Director. When a new lock and/or dead bolt is installed, an extra key must be provided in a special lock box approved by the Mutual. This box must be fastened near the door. Should it become necessary to enter your apartment in emergency, Security and/or medical personnel would open this lock box and use the extra key to reach you quickly. If you fail to provide a spare key and emergency personnel are forced to break into your residence, you will be responsible for any damage.

CARPORTS

Carports are to be used for parking one automobile or two other motorized vehicles, e.g. golf cart or electric scooter or motorcycle, all of which must be in operating condition. All vehicles must be parked heading in and may not extend beyond the roof line. Cars must have current license plates/tags and must be covered by liability insurance. All vehicles in the carports must have valid Mutual Four decals. Boats and trailers are not allowed in carports. Disabled vehicles may be towed at owner's expense.

Bicycles, grocery carts, and ladders may be placed in front of your vehicle. All other items must be completely contained in the carport cabinets. Of course, for safety reasons, the storing of combustibles of any kind, including paint, paint thinner, and gasoline is strictly

prohibited. The shareholder is liable for the cost of repairs for any damage to the carport space.

In Mutual Four, you may rent your carport to another Mutual Four resident only. You must utilize a form that you obtain from Stock Transfer. A copy of the Temporary Carport/Space Rental Form must be signed by both parties and approved by your Mutual Director. The original must be returned to Stock Transfer.

The City of Seal Beach has a law against oil drippings in carports. You must keep the floor of your carport space clean from oil.

PARKING

Please park your vehicle in your assigned carport space. Parking spaces along the curbs and at the end of some carport buildings are for visitors, loading and unloading, and service vehicles.

TRAILERS AND RECREATIONAL VEHICLES

Trailers or other RVs may be parked on the street for four days. Security can provide you with information regarding use of the temporary RV lot adjacent to Clubhouse Four where it is permissible to use the RV for temporary living accommodations.

GUESTS/VISITORS

As the legal resident your apartment is for your exclusive use. Visits by family or other persons are limited to a maximum of 60 days per person per calendar year. Guests may not stay overnight unless you are at home. Guests are not allowed to bring pets into Mutual Four unless

they have been officially designated as Service Animals and have Mutual approval. Children must be accompanied by you when walking in the Mutual or in the Club Houses. Skates, skateboards, or scooters are not to be used by guests. Children are not allowed to ride bicycles or tricycles unless closely accompanied by you, nor are children permitted to drive an electric scooter or golf cart even when accompanied by an adult.

GUEST PASSES

Guest passes should be distributed only to those persons visiting you on a regular basis. Casual, occasional visitors can be admitted simply by calling the Security office at the front gate. For visitor access call Security the same day of the visit and be sure that your information is clearly understood. For security reasons, you are not allowed to give guest passes to anyone for commercial purposes, nor to domestic help, nor to caregivers. The Stock Transfer Office can provide special passes for caregivers who are qualified to work in the Mutual.

PATIO AND ESTATE SALES

To hold an *estate* sale, a copy of the approved permit goes to Security along with a list of outside people expected to attend the sale. Only one such sale is permitted each calendar year. A sale to assist in, or as the result of, the sale of your apartment is permitted, even if you have held an estate sale during the year. *Patio* sales only require a 48-hour advance notification to your Director.

CAREGIVERS

On occasion, a shareholder will have need for a caregiver. Most caregivers are honest and reliable. Occasionally, however, an individual may not have motives that are in concert with the Mutual's guidelines and goals.

To better ensure that Mutual Four shareholders are safe in their own homes, all residents must abide by the Mutual Caregiver Policy.

All caregivers are required to register at the Stock Transfer Office and wear a caregiver badge at all times.

FILE OF LIFE

For emergency reasons, you should have important information readily available. This information should list the following:

- Whom to notify with telephone number
- Your doctor's name and telephone number
- All medications that you take

File of Life magnetic packets along with information forms can be obtained from your Director. After you complete the form, place the packet on your refrigerator or tape it inside your medicine cabinet. Please keep this information current.

PETS AND WILDLIFE

Pets are permitted in Mutual Four, subject to rules and policies which include a limit of one pet per apartment, a maximum weight of 25 pounds, pet registration in the Stock Transfer Office, proper insurance

and a current Seal Beach City pet license. If you have any questions, please contact your Director.

Please feed pets inside your apartment and do not feed the birds, rabbits, or other wildlife. This keeps the coyote and rodent populations away from our buildings.

USE OF COMMON FACILITIES

You are encouraged to visit and use all of Leisure World's many common facilities. Please carry your Golden Rain Foundation Resident Identification Card with you. Guests, however, are not allowed in such facilities as the swimming pool, golf course, wood shops, billiard rooms, lawn bowling, and shuffleboard areas. Guests who are 18 years old may use the Ping Pong facilities when accompanied by a resident. Guests are also welcome at the Amphitheater. Please consult the LW Weekly to determine how many guests you may bring to a particular Amphitheater program.

CHARGES FOR REPLACEMENTS AND REPAIRS

Responsibility for payment to replace or repair items in Mutual Four apartments are listed below. (The following information is subject to change and may not be complete.) If malfunction of the item is your fault, then you will be responsible for all charges. The Service Maintenance Department, Physical Property Department, or the Mutual Director will determine if the damage is due to normal wear and tear, or due to abuse and assign the responsibility.

Resident Responsibility

- All counter tops
- Skylights
- Heat pumps
- Patio locker/cabinet
- Shower glass
- Torn or cut screens
- Screen doors
- Added towel bars
- Stove burner drip pans
- Ceiling fans
- Sliding glass doors and windows
- Wall heaters
- Interior floor and wall coverings
- Interior painting and/or wall papering
- Toilet stoppages when a plunger is used
- Replacement of toilet seats

Mutual Responsibility

- Cook top (Standard only)
- Oven (Standard only)
- Refrigerator (Standard only)
- Living room smoke alarm
- Kitchen/bathroom fan (Standard only)
- Hot water tank (Standard only)
- Sink stoppage
- Toilet stoppage if auger is needed
- Garbage disposal (Standard only)
- Original ceiling heat and thermostats
- Shower enclosure (Standard only)

- Standard door, doorbell and doorknob
- Electrical receptacles and GFIs

If you are unsure about financial responsibility regarding repairs or replacements, please contact your Mutual Director. The Mutual Board will have the final decision regarding responsibility for charges.

MAINTENANCE AND REPAIR REQUESTS

For normal maintenance and repair problems, which do not require immediate attention, call Service Maintenance at 431-3548 during weekdays between 8:00 a.m. and 4:30 p.m.

If emergency maintenance service is required on weekends or evenings, call Security at 594-4754 and report your problem. Examples of true emergencies include short circuits, plumbing stoppage, broken water lines, and refrigerator malfunction.

EXAMPLES OF ABUSE BY SHAREHOLDER

- Not using a Leisure World approved contractor and not having necessary permits.
- Doing electrical work by anyone that is not a licensed and approved electrician.
- Planting or removing plantings from the common area outside of your assigned garden area.
- Placing any object on the turf area that impedes proper mowing.
- Changing the door lock to non-standard without a key in the lock box.
- Overloading the garbage disposal or disposing of bones, glass, etc. in the disposal.
- Overloading washers and dryers.

- Using the wrong type of ceiling paint.
- Slamming shower doors and breaking glass.
- Standing on the toilet seat.
- Cutting window screen to gain entrance to the apartment.
- Wiring electrical appliances illegally.
- Placing decals or holes in the shower stall.
- Burning holes or scorch marks into the countertop.
- Overloading cabinet drawers.
- Overloading electrical outlets and improper use of extension cords.
- Not abiding by the Mutual policies and Board requests.

LIABILITY INSURANCE

Ask your agent for HO-6 Condo coverage. Please insure all the upgrades in your unit. The Mutual owns the building and has insurance but it will not cover your belongings or some of your upgrades. Also you need to be covered in case your actions cause damage to your unit or your neighbors' units.

WEBSITE AND WEEKLY NEWSPAPER

Two wonderful amenities for our shareholders are the LW Weekly and the Leisure World and Mutual Four Websites. The weekly newspaper is delivered to your doorstep every Thursday morning.

The Leisure World and Mutual Four Websites are filled with useful information and all policies can be found there. Leisure World Website: 'www.lwsb.com'.

HANDY PHONE NUMBERS

Seal Beach Police Dept.	562-795-5410
So. Calif. Edison	800-655-4555
Verizon	800-837-4966
Spectrum	800-206-7173
Seal Beach City Hall	562-431-2527
Golden Age Foundation	562-431-9589
Emergency Meals	562-430-9056
Yellow Cab	562-435-6111
Seal Beach Animal Control	562-430-4993
Goodwill	542-435-3411
Salvation Army	800-958-7825