

**AGENDA**  
**REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS**  
**SEAL BEACH MUTUAL FOUR**  
**November 10, 2020**  
**Open Forum begins at 9:15 a.m. – Meeting begins at 9:30 a.m.**  
**Clubhouse 4 / Zoom Meeting**

**TO ATTEND:** The Shareholder will be provided with instructions on how to access the call via telephone upon the Shareholder contacting Mutual Administration and requesting the call-in information. Please submit your information, including your name, Unit number, and telephone number, via e-mail at [mutualsecretaries@lwsb.com](mailto:mutualsecretaries@lwsb.com), by no later than 3:00 p.m., the business day before the date of the meeting.

**TO PROVIDE COMMENTS DURING MEETING:** In order to make a comment during the open Shareholder forum, the Shareholder must submit all the necessary information stated above, via e-mail at [mutualsecretaries@lwsb.com](mailto:mutualsecretaries@lwsb.com), and state their intent to speak. Please send in your request no later than 3:00 p.m., the business day before the date of the meeting.

**IN-PERSON:** If you do attend the meeting, you will be required to follow strict guidelines, including physical distancing, and wearing face coverings at all times. Thank you.

- Please do not move seats; each seat has been set with physical distancing requirements
- Always wear a face mask while in the building
- No food or beverages will be allowed in the building

1. CALL TO ORDER
2. ROLL CALL
3. INTRODUCTION OF GRF REPRESENTATIVE, STAFF, AND GUEST(S):

Marsha Gerber, GRF Representative  
Victor Rocha, Security Services Director  
Ruben Gonzalez, Facilities Manager  
Jodi Hopkins, Mutual Administration Director  
Kevin Black, Building Inspector  
Anna Gamboa, Portfolio Specialist  
Kathi Dullaart, Recording Secretary

4. APPROVAL OF MINUTES
  - a. Regular Meeting Minutes of October 14, 2020
  - b. Special Meeting Minutes of October 20, 2020 (p. 3)
5. GUEST SPEAKER Mr. Rocha
  - a. Discuss the Security Guide (pp. 4-7)
6. GUEST SPEAKER Mr. Gonzalez
  - a. Discuss and vote to approve servicing the electrical panels (p. 8)
7. BUILDING INSPECTOR'S REPORT Mr. Black

Permit activity; escrow activity; contracts & projects; shareholder and mutual requests (pp. 9-10)

  - a. Discuss fire inspections – dryer vents
  - b. Discuss re-piping/waivers

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|-----|--|-------------|
| 7.  | GRF REPRESENTATIVE   | Ms. Gerber  |
| 8.  | SECRETARY / CORRESPONDENCE   | Mr. Russell |
| 9.  | CHIEF FINANCIAL OFFICER'S REPORT   | Ms. Smith   |
| 10. | UNFINISHED BUSINESS  |             |
|     | a. Discuss the sewer failure   |             |
|     | b. Discuss mosquito traps  | Mr. Russell |
|     | c. Discuss the progress on the electrical vehicle charger  |             |
|     | d. Discuss using rain gutter leaf filters for gutters under trees  | Mr. Conley  |
|     | e. Discuss and vote to ratify <b>Policy 7511.04 – <u>Permitted Use of Dwelling Units</u></b><br>(p. 11-13)   |             |
| 11. | NEW BUSINESS   |             |
|     | a. Approval of mutual monthly finances (p. 14)   | Ms. Smith   |
|     | b. Discuss and vote to approve the changes to the Notice of Disclaimer regarding dual ownership (pp. 15-17)  |             |
|     | c. Discuss and vote to approve adding Mutual 04's occupancy agreement to the LWSB website (p. 18)  |             |
|     | d. Discuss and vote to rescind Policy 7560 – <u>Apartment Rental</u> and adopt Policy 7560.04 – <u>Apartment Subletting Rentals</u> (p. 19-22)<br>Mr. Levitt |             |
|     | e. Discuss combining apartments  | Ms. Smith   |

**STAFF BREAK BY 11:00 a.m.**

- |     |   |                          |
|-----|---|--------------------------|
| 12. | MUTUAL ADMINISTRATION DIRECTOR  | Ms. Hopkins              |
| 13. | COMMITTEE REPORTS   |                          |
|     | a. Emergency Information  | Mr. Lessin               |
|     | b. Mutual Administration Committee  | Ms. Kuhl                 |
|     | c. Recreation   | Ms. Kuhl                 |
|     | d. Physical Property  | Mr. Russell              |
|     | e. Landscape  | Ms. Smith/ Mr. Conley    |
|     | f. Special Events   | Ms. Smith/ Mr. Friedland |
|     | g. Presidents' Roundtable   | Mr. Levitt               |
|     | h. President's Council  | Mr. Levitt               |
| 14. | ANNOUNCEMENTS   |                          |
|     | <b>NEXT MEETING: Wednesday, December 9, 2020, Open Forum begins at 9:15 a.m. and the Meeting begins at 9:30 a.m., in Clubhouse 4 / via Zoom</b> |                          |
| 15. | DIRECTORS' COMMENTS   |                          |
| 16. | SHAREHOLDERS' COMMENTS (3 minutes)  |                          |
| 17. | ADJOURNMENT   |                          |
| 18. | EXECUTIVE SESSION   |                          |

**STAFF WILL LEAVE THE MEETING BY 12:00 p.m.**

**MINUTES OF THE SPECIAL BOARD MEETING OF  
THE BOARD OF DIRECTORS  
SEAL BEACH MUTUAL FOUR  
October 20, 2020**

The Special Board Meeting of the Board of Directors of Seal Beach Mutual Four was called to order by President Levitt at 8:31 a.m. on Tuesday, October 20, 2020, via Conference Call

**ROLL CALL**

Present: President Levitt, Secretary Russell, Chief Financial Officer Smith, and Director Kuhl

Staff: Ms. Hopkins, Mutual Administration Director  
Ms. Gamboa, Portfolio Specialist  
Ms. Dullaart, Recording Secretary

Absent: Vice President Conley, Director Lessin, and Director Friedland

**PURPOSE OF THE MEETING:**

Directors discussed and voted to reschedule the November monthly board meeting due to the Veteran's Day holiday.

Following a discussion and upon a MOTION duly made by Secretary Russell and seconded by Director Kuhl, it was

RESOLVED to move the November meeting from Wednesday November 11, 2020 at 9:15 a.m. to Tuesday November 10<sup>th</sup> at 9:15 a.m. due to the Veteran's Day Holiday.

The MOTION passed unanimously.

**ADJOURNMENT**

President Levitt adjourned the meeting at 8:32 a.m.

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Attest, Jon Russell, Secretary  
SEAL BEACH MUTUAL FOUR  
AG 10/20/2020

### ***Knob Lock Procedures***

A knob lock device is designed to lock around a door knob to prevent the knob from turning and accessing the keyhole. These devices are used by security to secure a residence for a variety of reasons. The most important reason a residence is 'knob locked' is to ensure anyone accessing the residence (such as after a death of a resident) has the legal authority to do so.

Security may be asked to install a knob lock by:

- Stock Transfer Department
- Mutual President

All requests for use of a knob lock will be noted on a Knob Lock Report. This report documents information regarding the initial request, who installed the device, and who removed the device.

Some knob lock devices will not fit certain types of locks (such as custom locks). Mutuals may have other types of locking devices or systems to secure a door. Any additional type of equipment or device beyond the basic knob lock system (such as boarding up a unit with plywood) will be ordered and installed by the Mutual or installed by the Service Maintenance Department.

### ***Resident Welfare Checks***

The Security Department conducts resident checks after being notified by someone who is concerned about a resident's safety. When a security officer is called out to a residence to conduct a resident check:

- Whenever possible, two security officers should be present when entry is made to the residence.
- Knock of the door loudly and state you are from the Security Department.
- If there is no answer, use the residence key found in the lockbox to gain entry.
- When entering the residence state in a loud voice you are from the Security Department.

If all rooms are checked and no one is found, please ensure you have checked the following areas for someone:

- Shower
- Underneath the bed
- All closets
- Underneath large piles of clothes or blankets

If a person is found and they require immediate medical attention:

- Call 911 immediately from the resident's phone.
- If a resident's phone is not available, use a two-way radio to advise dispatch to call 911 immediately.
- After calling 911, security officers should remain outside of the residence and wait for police, fire, and/or a coroners' unit to arrive.

The watch commander will complete the Resident Check Log to document the resident check.

## ***Occupancy Checks***

An occupancy check is a procedure where a Mutual verifies all people residing inside a unit to ensure that all regulations of the occupancy agreement are being followed.

If it is not an emergency and a Mutual representative wishes to conduct an occupancy check, please refer them to the Mutual Administration Department. Mutual Administration has the expertise to advise a Mutual of the best course of action to take to ensure occupancy agreement compliance.

If it is decided that an occupancy check is warranted, Mutual Administration will send an e-mail request and approval to the watch commander. The patrol unit completing the occupancy check will complete an Occupancy Check Report and send a copy to the Mutual Administration Department.

## ***Death Investigations***

If security is called to a location where someone is deceased or if during a resident check a person is found deceased:

- Call 911 immediately from the resident's phone.
- If a resident's phone is not available, use a two-way radio to advise dispatch to call 911 immediately.

On most occasions, police and coroner units will be taking over the investigation. Remain outside of the residence until the police and/or coroner clear the scene.

When there is activity of this type at a residence, other resident's may ask a security officer what is happening at the location. To maintain confidentiality, Security will advise anyone who is asking about the incident, "We received a request for medical aid at this address." *EXCEPTION: If a Mutual President or Director ask about this type of incident, the security officer may share that there is an on-going death investigation at the scene.*

The security officer at the scene will complete a Death Investigation Report as soon as possible after the incident. If the Mutual President was not at the scene, the watch commander on duty will immediately e-mail the Mutual President to advise them of the incident.

## ***Interactions Involving Family Members at a Death Investigation***

The loss of a loved one is a very stressful event for a family. As the security officer at the scene, you may be dealing with a wide range of emotions, even if a death was expected.

When loved ones are at a residence of a deceased person, be patient and give family members the time to grieve. **NEVER** say to a grieving person:

- "He's in a better place."
- "It was his time."
- "There's a reason for everything."
- "I know how you feel."

**It is best to be silent or you may simply say, “I’m sorry for your loss.”**

### ***Establishing Legal Authority***

After a death investigation is completed, security must ensure that anyone who wants to stay at the residence after the scene has been cleared by police and/or coroner has ‘legal authority’ to remain inside the residence.

Establishing who has legal authority to remain at a residence with unlimited in and out and overnight stay privileges can be confusing. Family members and/or caregivers may be advise you that they have legal authority of a residence due to the fact they have a “Power of Attorney”, an “Executor of a will”, a “Non-resident co-owner” or “Head of a trust and an inheritor.”

*The only people with legal authority to stay in a residence after a resident death are:*

- Member resident
- Co-Occupant

**Security officers do not have the power to review or interpret legal documents or determine who has legal authority to stay in a residence. All legal authority issues must be reviewed and approved by the Stock Transfer Department.**

Caregivers have no authority to stay after a resident is deceased.

Security may not allow any unauthorized person to stay at a residence of deceased shareholder. Security should advise anyone remaining in the unit in a firm but polite manner:

*“I’m Security Officer \_\_\_\_\_. Your name, Sir/Ms. \_\_\_\_\_? Mr/Ms \_\_\_\_\_, unfortunately, since there is no member resident or a co-occupant present, I must ask you to leave. You may call the Stock Transfer Office during regular business hours and they will be able to assist you in how to gain access to the unit.”*

If unauthorized people still refuse to leave the unit, The Security Officer will state:

*“Please understand we must protect the interest of the deceased, so I must ask you to leave.”*

If unauthorized people continue to stay, the security officer will notify the watch commander. The watch commander will notify the Mutual President immediately regarding the refusal to leave, regardless of the date or time. The Mutual President has the authority to allow someone to stay in a unit or ask them to leave.

If the Mutual President denies anyone from staying in the unit and they still refuse to leave, the Mutual President can ask us to contact the Seal Beach Police Department for assistance. Security will follow the instructions of the police department at the scene. If police officers allow unauthorized persons to stay in the unit and police will take no further action, ensure you receive the name and serial number of the police officer at the scene to document on the report.

If a Mutual President allows someone to stay in the unit, ensure this information is noted in the report.

### ***Coroner's Investigations***

When a Coroner is conducting a death investigation they may place a 'Coroners Seal' on the door when they leave the residence. This seal forbids anyone from entering the residence (including those who have legal authority to do so) until they have completed their investigation.

After a Coroner's investigation is completed, they will usually notify the next of kin to the deceased that their investigation is complete and they may enter the residence. However, there are two important issues to remember:

- Even though the next of kin are stating the Coroner is allowing entry, this information must be verified with the Orange County Sheriff-Coroner/Coroner Division. This information will be documented by the watch commander on a Coroner's Information Report.
- If the coroner verifies that entry is allowed, the Security Department must ensure that the next of kin must have legal authority to enter the residence. If the next of kin does not have legal authority, they may not enter.

Refer any next of kin claiming legal authority to the Stock Transfer Department.

# *Mutual Corporation No. Four*

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## MEMO

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**TO:** MUTUAL FOUR BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO APPROVE SERVICING THE ELECTRICAL PANELS  
(GUEST SPEAKER ITEM A)  
**DATE:** NOVEMBER 10, 2020  
**CC:** MUTUAL FILE

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I move to approve the servicing of the electrical panels, with work to be completed by Service Maintenance. Funds to be allocated from \_\_\_\_\_ at a cost not to exceed \$2,000.00 per building.

## INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: **(04) FOUR**

INSPECTOR: **Kevin Black**

MUTUAL BOARD MEETING DATE: **NOVEMBER 10TH 2020**

PERMIT ACTIVITY							
UNIT #	DESCRIPTION OF WORK	GRF/CITY PERMIT	PERMIT ISSUE	COMP. DATE	CHANGE ORDER	RECENT INSPECTION	CONTRACTOR / COMMENTS
74,75,76,87,89	roofing	both	07/10/19	05/31/20	yes comp.	nauling 74, 3/2/20 bldg. 89 nauling 111-	Roofing Standards may
4-41G	remodel w/patio/tankless	both	07/06/20	12/31/20	o. #1 date to c	BOD ok tankless 07082020 footing/groundwork 9/21/20	Ba const.
4-49F	ducted HVAC repl.	both	09/08/20	12/08/20	yes	equip. upgrade	greenwood
4-77F	new ducted heat pump	both	09/21/20	12/21/20	no		Greenwood
4-37A	shower cut down/grab bar	both	10/19/20	11/19/20	no		nukote
4-49F	repl. Ducted heat pump/attic access	both	10/01/20	11/30/20	no		greenwood
4-51J	new counter tops/washer dryer	both	09/28/20	10/30/20	no		cal custom interiors
4-47F	patio storage	both	10/02/20	12/20/20	no	foundation 10/21- lath/insulation/10/29- drywall 11/3	alpha master builder
4-51D	new shower	both	10/19/20	11/30/20	no	rough plumb/frame/underground 10/21- shw pan 10/23-	john bergkvist
4-80A	patio	GRF	1012/20	11/30/20	no	bod ok 9/18/20 slab/footing/ 10/29/20	MJ jurado
4-45K	add microwave	both	10/17/20	10/31/20	no		RS built
4-85L	patio extension	grf	10/20/20	11/30/20	no		MJ jurado
ESCROW ACTIVITY							
UNIT #	NMI	PLI	NBO	FI	FCOEI	ROF	DOCUMENTS/COMMENTS
4-76E		09/28/18					
4-87H		03/07/19	10/21/20				
4-85G		03/24/20	08/28/20	08/28/20	09/10/20		
4-46K		04/27/20					
4-78K		07/23/20		10/26/20	11/03/20		
4-43B		08/31/20					
4-73H			10/02/20	10/22/20			
4-85H		09/18/20		11/03/20			
4-87J		09/30/20		11/02/20			
4-86C		09/30/20		10/29/20			

# INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: **(04) FOUR**

INSPECTOR: **Kevin Black**

MUTUAL BOARD MEETING DATE: **NOVEMBER 10TH 2020**

CONTRACTOR	PROJECT
Total Landscape Maintenance- 10/8/19 contract end date	on going now
Tree Pruning:	
Fenn Pest Control - 5/31/20 contract end date	service days are Monday and Wednesday - termites on Wednesday's only
Roofing Roofing Standards 2/28/20-12/31/21	started and completing bldg. 89
stove hoods & Piping Kress Const: 2/28/20	complete with 89
dry rot / termite / attic repair B.A. Const: 2/28/20	complete with 89
Re-piping California Repipe Specialist: 12/31/2021	<b>2021 coming for a start in January - wavier? Bldg. 37,40,41,42,44,45,48,76,88,89</b>
abatement ERC: 12/31/2021	<b>2021 coming for a start in January wavier? Bldg. 37,40,41,42,44,45,48,76,88,89</b>
repipe paint touch ups Kress:	<b>2021 coming for a start in January wavier? Bldg. 37,40,41,42,44,45,48,76,88,89</b>
<b>Fire Inspections</b>	<b>Re-inspections are on hold due to pandemic - will complete the last two buildings as - soon as we get a green light to finish bldgs. 42 and 43 dryer vents? Fire inspections 2021?</b>
Roofing for 2020 Roofing Standards:	combining bldgs. 75/76 into 2020 contract set to do all in 2021
Roofing 2019 Roofing Standards:	Bldg. 76 material removed, Bldg. 89 is scheduled for 10/26/20 or 11/12/20 bldg. 87 to follow, moving 75/76 to 2021
sewer cleaning yearly Empire Pipe: 12/30/2022	coming in October/November
Sidewalk Insp.	
<b>Shareholder Visits and Mutual Requests</b>	
manhole location with John.	
Agenda Items:	
<i>fire inspections</i>	
re-piping wavier	

# *Mutual Corporation No. Four*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO RATIFY POLICY 7511.04 – PERMITTED USE OF DWELLING UNITS (UNFINISHED BUSINESS, ITEM F)  
**DATE:** NOVEMBER 10, 2020  
**CC:** MUTUAL FILE

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I move to ratify adopted Policy 7511.04 – Permitted Use of Dwelling Units.

RESIDENT REGULATIONS

PERMITTED USE OF DWELLING UNITS - Mutual Four

PERMITTED USE OF DWELLING UNITS

In addition to any restrictions set forth in the Governing Documents, the Shareholder's use of the unit shall comply with the following provisions:

- (a) use of the unit shall comply with applicable laws and zoning ordinances;
- (b) the shareholder's use of the unit shall not involve activities or practices that would increase the insurance liability or insurance premiums of the Mutual;
- (c) the shareholder's use of the unit is consistent with the residential character of the Community;
- (d) there shall be no advertising displays or inordinate amount of delivery of mail or merchandise to the unit;
- (e) shareholder's use of the unit shall not involve the use of commercial vehicles for the delivery of materials to or from the Unit beyond those commercial vehicles normally associated with residential uses;
- (f) there shall be no outdoor storage of materials or equipment, nor shall merchandise be visible from outside the Unit;
- (g) activities conducted and equipment or material used shall not change the fire safety or occupancy classifications of the Unit.

Nuisance.

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

- (a) interferes with or disturbs other Qualifying Residents and/or Shareholders' quiet or peaceful enjoyment of the Community;
- (b) unreasonably annoys or interferes in the operation and management of the Mutual by unreasonably annoying, harassing or interfering with any Officer or Director of the Board of Directors;

**RESIDENT REGULATIONS**

**PERMITTED USE OF DWELLING UNITS - Mutual Four**

- (c) **causes noise, fumes and/or odors, or behavior that unreasonably annoys or interferes with the quiet use and enjoyment of other Qualifying Residents and/or Shareholders of the Mutual;**
- (d) **obstructs or interferes with the rights of other residents;**
- (e) **obstructs the roads, sidewalks or areas within the Common Area of the Community;**
- (f) **annoys, harasses or interferes with any visitor, guest, invitee, vendor, management, contractor, and/or similar contracted vendor retained by the Mutual and/or the GRF;**
- (g) **in any other way breaches this Agreement and/or the Governing Documents of the Mutual.**

DRAFT

# *Mutual Corporation No. Four*

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## MEMO

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**TO:** MUTUAL FOUR BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** APPROVAL OF MUTUAL MONTHLY FINANCES (NEW BUSINESS, ITEM A)  
**DATE:** NOVEMBER 10, 2020  
**CC:** MUTUAL FILE

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I move to acknowledge, that per the requirements of Civil Code Section 5500(a)-(f), a review has been completed of the Mutual's reconciliations of the operating and reserve accounts, operating revenues and expenses compared to the current year's budget, statements prepared by the financial institutions where the Mutual has its operating and reserve accounts, income and expense statement for the Mutual's operating and reserve accounts, the check registers, the monthly general ledger and delinquent assessment receivable reports for the month of October 2020.

# *Mutual Corporation No. Four*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO APPROVE THE CHANGES TO THE NOTICE OF  
DISCLAIMER REGARDING DUAL OWNERSHIP (NEW BUSINESS, ITEM B)  
**DATE:** NOVEMBER 10, 2020  
**CC:** MUTUAL FILE

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I move to approve the proposed changes to the Notice of Dual Ownership disclaimer for Mutual Four to be implemented by the Stock Transfer Office.

Put on each mutual agenda

## Notice of Disclaimer Regarding Dual Ownership

The purpose of this Notice of Disclaimer is to set forth information regarding dual ownerships:

Article 5 of the Occupancy Agreement states that "Member shall not own more than one share of stock in Corporation, or any other Mutual Corporation located in Seal Beach Leisure World concurrently, Member being expressly obligated to fully divest ownership in Corporation prior to acquiring, owning or occupying a dwelling unit other than as set forth above."

Some Mutuals do not allow dual ownership. If you wish to go on title of an additional unit you must first contact both Mutual Boards.

By our signatures below, it is acknowledged that I have read and received a copy of the Notice of Disclaimer Regarding Dual Ownership.

Remove 3rd paragraph

This doesn't make sense

\_\_\_\_\_  
Prospective Buyer's Signature

\_\_\_\_\_  
Date

If occupancy agreement states you can't - what does the 3rd paragraph mean?

Make one for each of the mutuals.

- Check OA -

27

update next month.

# Notice of Disclaimer Regarding Dual Ownership Mutual Four

The purpose of this Notice of Disclaimer is to set forth information regarding dual ownerships in Mutual Four:

Article 5 of the Occupancy Agreement states that “Member shall not own more than one share of stock in Corporation, or any other Mutual Corporation located in Seal Beach Leisure World concurrently, Member being expressly obligated to fully divest ownership in Corporation prior to acquiring, owning or occupying a dwelling unit other than as set forth above.”

*By our signatures below, it is acknowledged that I have read and received a copy of the Notice of Disclaimer Regarding Dual Ownership.*

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Prospective Buyer’s Signature

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Date

# *Mutual Corporation No. Four*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO APPROVE ADDING MUTUAL 04'S OCCUPANCY AGREEMENT TO THE LWSB WEBSITE (NEW BUSINESS, ITEM C)  
**DATE:** NOVEMBER 10, 2020  
**CC:** MUTUAL FILE

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I move to approve that the occupancy agreement be placed on the Leisure World Seal Beach website under Mutual 04's Policies tab.

# *Mutual Corporation No. Four*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** DISCUSS AND VOTE TO RESCIND POLICY 7560 – APARTMENT RENTAL  
AND ADOPT 7560.04 – APARTMENT SUBLETTING RENTALS  
(NEW BUSINESS, ITEM D)  
**DATE:** NOVEMBER 10, 2020  
**CC:** MUTUAL FILE

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I move to rescind Policy 7560 – Apartment Rental and adopt Policy 7560.04 – Apartment Subletting Rentals on a preliminary basis until the 28-day posting period is complete. The policy will be ratified at the next scheduled meeting and take effect, if the board receives no comments.

**MUTUAL OPERATIONS**

**RESIDENT REGULATIONS**

**Apartment Rental**

In Paragraph 5(d) of the Regulatory Agreement, all of the Mutual Corporations have agreed with the insuring agency that they will not, without prior approval of the Commissioner, given in writing, permit occupancy of any of the dwelling accommodations of the Corporation except by members of the Corporation (See Policy 9205.4).

In Article 7 of the Occupancy Agreement currently being used, all residents have agreed not to sublet his dwelling unit without the written consent of the Corporation.

Since the processing time necessary under the above regulations would normally approach 90 days, this Corporation is prepared to approve emergency rentals for not exceeding 90 days when the resident applies for permission to rent his apartment and completes the standard form (7561) requesting such permission from the Board.

<b>MUTUAL ADOPTION</b>	<b>NO FURTHER RENTALS</b>	<b>RENTALS PENDING CLOSE OF ESCROW</b>	<b>OTHER</b>	<b>OTHER</b>
ONE	<u>01 25 73</u>	08-22-96	<u>03 22 84</u>	
TWO	<u>08 27 72</u>	10 22 98	11 16 95	11-19-98*
THREE	<u>08 21 72</u>	06-03-91		
FOUR	<u>09 06 72</u>			01 04 89** 02-06-06**
FIVE	<u>08 16 72</u>	08-18-82		
SIX	<u>08 25 72</u>	11-26-96	<u>04 23 82</u>	
SEVEN	<u>09 15 72</u>	03-18-91		
EIGHT	<u>08 28 72</u>	08-26-02		
NINE	<u>08 14 72</u>	08-22-97	<u>08 08 83</u>	
TEN	<u>08 24 72</u>	08-27-97	<u>07 28 83</u>	
ELEVEN	<u>09 21 72</u>	03-20-80		
TWELVE	<u>08 10 72</u>	07-13-78		
FOURTEEN	<u>08 11 72</u>	08-25-95		
FIFTEEN	<u>10 16 72</u>	01-19-81		
SIXTEEN	<u>09 14 72</u>	03-08-73		

\* For a period of up to 3 months to residents who are remodeling their units

\*\* For a period of 90 days in any 12-month period to residents who are remodeling their units

(Jul 06)

SEAL BEACH MUTUAL NO. FOUR

MUTUAL OPERATIONS

ADOPT 7560.04

RESIDENT REGULATIONS

Apartment Subletting Rentals

In Article 7 of the Occupancy Agreement currently being used, all Members have agreed not to sublet his/her dwelling unit, and not to assign the Occupancy Agreement, without the written consent of Seal Beach Mutual No. \_\_\_\_\_.

Under Assembly Bill 3182, codified as California Civil Code §4741 and effective January 1, 2021, unreasonable restrictions concerning the rental or leasing of a Member's subletting of his/her dwelling unit to another will be prohibited.

The Board of Directors of Seal Beach Mutual No. Four generally forbids a Member to sublet his or her own dwelling unit, because our governing documents require that our Mutual serve as residential accommodations for seniors 55 years of age or older, meeting certain financial requirements. However, as long as Civil Code §4741 is effective and has not been overturned by the Courts or withdrawn or modified by the State Legislature, our Mutual will hereby place a sublease rental cap of twenty five percent (25%) of the dwelling units at our Mutual. Should this maximum sublease rental cap ever be met, Members wishing to sublet will be placed on a waiting list, with priority dependent on the date of any such request in writing.

Our Mutual prohibits transient or short-term rentals of a dwelling unit for a period of 30 days or less, and reiterates that our dwelling units are to be used for residential purposes and not for Airbnb short-term rentals or the like, as set forth in Article 5 of the Occupancy Agreement.

Any Member must deliver a copy of any proposed sublease to the Mutual before the same is executed, and such sublease must be in a form acceptable to the Mutual.

The aforementioned sublease must require in writing that the sublessee will abide by the terms of the applicable Member's Occupancy Agreement, and, shall give to our Mutual an irrevocable power to dispossess or otherwise act for the Member in case of default under the sublease.

The Member shall continue to be liable for all obligations under the Occupancy Agreement notwithstanding the fact that a Member may have sublet the dwelling unit with the approval of the Mutual, and shall be responsible to the Mutual for the conduct and/or misconduct of Member's sublessee, as set forth in Article 7 of the Occupancy Agreement.

Any and all costs and/or expenses from the Golden Rain Foundation presented to the Member and/or Mutual arising out of, or pertaining to, the aforementioned sublease,

May and will be passed on to the applicable Member for direct payment/or reimbursement.

Should a Member enter into an approved sublease concerning the Occupancy Agreement, then, all rights and amenities of such Member (including but not limited to the use of recreational facilities, gate access and parking) shall, and will, be assigned to such sublessee as an entire and complete assignment of such benefits to the sublessee (so that the premises are not subject to duplicate and redundant use by both the Member and the Sublessee).

All sublessees must qualify for residential status, upon the same terms and conditions of age and income as the applicable Member, and the sublessee must meet the eligibility requirements of membership as set forth in Article III of the Mutual's By-Laws.

If accepted, the sublessee must attend an orientation session, in order to become familiar with the premises, terms of the Occupancy Agreement and the Mutual's policies and practices.

The processing time necessary to comply with the above regulations would normally approach ninety (90) days, however, the Mutual is prepared to approve emergency subletting not exceeding ninety (90) days when the Member applies for permission to rent his/her apartment under urgent circumstances, as determined by the Board of Directors in its sole discretion.

All Members requesting permission to enter into a sublease agreement must complete the standard form (7561) in order to request such permission from the Board of Directors.

This policy and the rules and regulations incorporated herein shall be effective and in force on January 1, 2021.

Mutual Adoption

Four:

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