

NOVEMBER 2022

TO ALL MEMBERS OF MUTUAL 04:

Enclosed please find the 2023 Annual Budget Report and Annual Policy Statement for the Mutual 04 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 04  
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 04 Board of Directors

**ANNUAL BUDGET REPORT<sup>1</sup>**  
**(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 04. The assessments will be increased to \$246.31 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 04'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       |                      |

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<sup>1</sup> 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 Four  
Operating Budget  
Year Ended December 31, 2023**

| 396<br>Apartments                  | Average Monthly<br>Per Apartment |               |               | Operating Budget<br>In Dollars |                  |                |
|------------------------------------|----------------------------------|---------------|---------------|--------------------------------|------------------|----------------|
|                                    | 2023                             | 2022          | Change        | 2023                           | 2022             | Change         |
| Electricity                        | 4.21                             | 3.79          | 0.42          | 20,006                         | 18,010           | 1,996          |
| Water                              | 18.52                            | 15.78         | 2.74          | 88,007                         | 74,987           | 13,020         |
| Trash                              | 11.50                            | 9.96          | 1.54          | 54,648                         | 47,330           | 7,318          |
| <b>Total Utilities</b>             | <b>34.23</b>                     | <b>29.53</b>  | <b>4.70</b>   | <b>162,661</b>                 | <b>140,327</b>   | <b>22,334</b>  |
| Management Fee                     | 0.00                             | 0.56          | (0.56)        | 0                              | 2,661            | (2,661)        |
| Legal Fees                         | 2.53                             | 0.42          | 2.11          | 12,023                         | 1,996            | 10,027         |
| Investment Fees                    | 0.00                             | 0.00          | 0.00          | 0                              | 0                | 0              |
| <b>Total Professional Fees</b>     | <b>2.53</b>                      | <b>0.98</b>   | <b>1.55</b>   | <b>12,023</b>                  | <b>4,657</b>     | <b>7,366</b>   |
| Landscape - Contract               | 39.14                            | 39.77         | (0.63)        | 185,993                        | 188,987          | (2,994)        |
| Landscape - Extras                 | 6.10                             | 5.20          | 0.90          | 28,987                         | 24,710           | 4,277          |
| Green Waste Bins                   | 0.00                             | 0.00          | 0.00          | 0                              | 0                | 0              |
| Painting                           | 0.42                             | 0.32          | 0.10          | 1,996                          | 1,521            | 475            |
| Pest Control                       | 3.17                             | 2.53          | 0.64          | 15,064                         | 12,023           | 3,041          |
| Structural Repairs                 | 2.95                             | 2.74          | 0.21          | 14,018                         | 13,020           | 998            |
| Miscellaneous Services             | 0.27                             | 0.32          | (0.05)        | 1,283                          | 1,521            | (238)          |
| Escrow Expenses                    | 0.00                             | 0.00          | 0.00          | 0                              | 0                | 0              |
| Standard Service                   | 13.05                            | 11.57         | 1.48          | 62,014                         | 54,981           | 7,033          |
| <b>Total Services</b>              | <b>65.10</b>                     | <b>62.45</b>  | <b>2.65</b>   | <b>309,355</b>                 | <b>296,763</b>   | <b>12,592</b>  |
| State & Federal Taxes              | 0.22                             | 0.18          | 0.04          | 1,045                          | 855              | 190            |
| Property & Liability Insurance     | 32.96                            | 28.55         | 4.41          | 156,626                        | 135,670          | 20,956         |
| <b>Total Taxes &amp; Insurance</b> | <b>33.18</b>                     | <b>28.73</b>  | <b>4.45</b>   | <b>157,671</b>                 | <b>136,525</b>   | <b>21,146</b>  |
| <b>Operating Expenses</b>          | <b>135.04</b>                    | <b>121.69</b> | <b>13.35</b>  | <b>641,710</b>                 | <b>578,272</b>   | <b>63,438</b>  |
| <b>Income from Services</b>        |                                  |               |               |                                |                  |                |
| Merchandise Sales                  | 0.00                             | 0.00          | 0.00          | 0                              | 0                | 0              |
| Laundry Machines                   | 2.10                             | 2.53          | (0.43)        | 9,979                          | 12,023           | (2,044)        |
| <b>Total Services Income</b>       | <b>2.10</b>                      | <b>2.53</b>   | <b>(0.43)</b> | <b>9,979</b>                   | <b>12,023</b>    | <b>(2,044)</b> |
| <b>Financial Income</b>            |                                  |               |               |                                |                  |                |
| Interest Income                    | 0.37                             | 0.14          | 0.23          | 1,758                          | 665              | 1,093          |
| Interest Income Allocation         | 0.00                             | 0.00          | 0.00          | 0                              | 0                | 0              |
| Late Charges                       | 0.06                             | 0.11          | (0.05)        | 285                            | 523              | (238)          |
| Inspection Fees                    | 7.37                             | 4.63          | 2.74          | 35,022                         | 22,002           | 13,020         |
| Miscellaneous                      | 0.05                             | 0.00          | 0.05          | 238                            | 0                | 238            |
| Parking Fines                      | 0.00                             | 0.00          | 0.00          | 0                              | 0                | 0              |
| <b>Total Financial Income</b>      | <b>7.85</b>                      | <b>4.88</b>   | <b>2.97</b>   | <b>37,303</b>                  | <b>23,190</b>    | <b>14,113</b>  |
| <b>Operating Income</b>            | <b>9.95</b>                      | <b>7.41</b>   | <b>2.54</b>   | <b>47,282</b>                  | <b>35,213</b>    | <b>12,069</b>  |
| <b>Net Operating Cost</b>          | <b>125.09</b>                    | <b>114.28</b> | <b>10.81</b>  | <b>594,428</b>                 | <b>543,059</b>   | <b>51,369</b>  |
| Reserve Funding                    | 121.22                           | 119.42        | 1.80          | 576,031                        | 567,500          | 8,531          |
| <b>Total Mutual Costs</b>          | <b>246.31</b>                    | <b>233.70</b> | <b>12.61</b>  | <b>1,170,459</b>               | <b>1,110,559</b> | <b>59,900</b>  |
| Allocated Trust Cost               | 193.23                           | 172.03        | 21.20         | 918,229                        | 817,487          | 100,742        |
| <b>Regular assessment</b>          | <b>439.54</b>                    | <b>405.73</b> | <b>33.81</b>  | <b>2,088,688</b>               | <b>1,928,046</b> | <b>160,642</b> |

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.

**Seal Beach Mutual Four  
Assessment And Reserve Funding Disclosure Summary**

- 1) The current regular assessment per ownership interest per month is \$ 439.54 and the portion allocated to reserves per ownership interest per month is \$ 108.38 .
- 2) Neither the board nor the members have approved additional assessments for any purpose.
- 3) Based upon the most recent reserve study and other information available to the board of directors, will currently projected reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major component during the next 30 years?  
Yes   X   No
- 4) If the answer to #3 is no, what additional assessments or other contributions to reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years that have not yet been approved by the board or the members?
- 5) All major components are included in the reserve study and are included in its calculations.
- 6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570, the estimated required amount to be in the reserve fund at the end of the 2022 fiscal year is \$ 2,215,947 based in whole or in part on the last reserve study or update prepared by the board as of 8/30/2022. The projected reserve fund cash balance at the beginning of the 2023 fiscal year is \$ 1,225,239 reserves being 55.3% funded at this date.
- 7) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570, the estimated required amount to be in the reserve fund, the projected fund balance of those years, taking into account only assessments approved and other known revenues, and the percentage funded at the end of each of the next five years is:

| Year | Required Funding | Projected Fund Bal. | % Funded |
|------|------------------|---------------------|----------|
| 2023 | \$ 1,536,680     | 617,917             | 40.2%    |
| 2024 | 1,761,905        | 936,874             | 53.2%    |
| 2025 | 2,000,358        | 1,293,018           | 64.6%    |
| 2026 | 1,878,501        | 1,260,398           | 67.1%    |
| 2027 | 2,110,419        | 1,619,125           | 76.7%    |

This financial representation set forth in this summary are based on the best estimates of the board at this time and is further predicated on the board maintaining the current Reserve Funding Plan.

Seal Beach Mutual Four  
FLOW OF RESERVE FUNDS

|        | Beginning | Annual     | Interest* | Loans or    | Expenses   | Ending    |
|--------|-----------|------------|-----------|-------------|------------|-----------|
| Year   | Fund      | Funding**  | 0.00%     | Assessments |            | Fund      |
| 2022   |           |            |           |             |            | 1,225,239 |
| 2023   | 1,225,239 | 515,000    | 0         |             | 1,122,322  | 617,917   |
| 2024   | 617,917   | 543,325    | 0         |             | 224,368    | 936,874   |
| 2025   | 936,874   | 573,208    | 0         |             | 217,064    | 1,293,018 |
| 2026   | 1,293,018 | 584,672    | 0         |             | 617,292    | 1,260,398 |
| 2027   | 1,260,398 | 596,365    | 0         |             | 237,638    | 1,619,125 |
| 2028   | 1,619,125 | 608,292    | 0         |             | 276,931    | 1,950,486 |
| 2029   | 1,950,486 | 620,458    | 0         |             | 279,355    | 2,291,589 |
| 2030   | 2,291,589 | 632,867    | 0         |             | 289,844    | 2,634,612 |
| 2031   | 2,634,612 | 645,524    | 0         |             | 259,186    | 3,020,950 |
| 2032   | 3,020,950 | 658,434    | 0         |             | 266,962    | 3,412,422 |
| 2033   | 3,412,422 | 671,603    | 0         |             | 333,276    | 3,750,749 |
| 2034   | 3,750,749 | 685,035    | 0         |             | 299,160    | 4,136,624 |
| 2035   | 4,136,624 | 698,736    | 0         |             | 309,585    | 4,525,775 |
| 2036   | 4,525,775 | 712,711    | 0         |             | 766,035    | 4,472,451 |
| 2037   | 4,472,451 | 726,965    | 0         |             | 648,049    | 4,551,367 |
| 2038   | 4,551,367 | 741,504    | 0         |             | 372,172    | 4,920,699 |
| 2039   | 4,920,699 | 756,334    | 0         |             | 328,329    | 5,348,704 |
| 2040   | 5,348,704 | 771,461    | 0         |             | 1,244,712  | 4,875,453 |
| 2041   | 4,875,453 | 786,890    | 0         |             | 1,236,202  | 4,426,141 |
| 2042   | 4,426,141 | 802,628    | 0         |             | 1,107,521  | 4,121,248 |
| 2043   | 4,121,248 | 818,681    | 0         |             | 1,257,588  | 3,682,341 |
| 2044   | 3,682,341 | 835,055    | 0         |             | 1,277,979  | 3,239,417 |
| 2045   | 3,239,417 | 851,756    | 0         |             | 1,016,949  | 3,074,224 |
| 2046   | 3,074,224 | 868,791    | 0         |             | 2,287,411  | 1,655,604 |
| 2047   | 1,655,604 | 886,167    | 0         |             | 605,801    | 1,935,970 |
| 2048   | 1,935,970 | 903,890    | 0         |             | 517,102    | 2,322,758 |
| 2049   | 2,322,758 | 921,968    | 0         |             | 447,716    | 2,797,010 |
| 2050   | 2,797,010 | 940,407    | 0         |             | 454,485    | 3,282,932 |
| 2051   | 3,282,932 | 959,215    | 0         |             | 683,852    | 3,558,295 |
| 2052   | 3,558,295 | 978,399    | 0         |             | 482,163    | 4,054,531 |
|        |           |            |           |             |            |           |
| Totals |           | 22,296,341 | 0         | 0           | 19,467,049 |           |

\*Interest earned on reserve funds are used to offset operating costs and therefore are not reinvested in the reserve funds.

***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.**

| <b>Insurer</b>         | <b>Coverage</b>                  | <b>Limit</b>   | <b>Deductible</b> |
|------------------------|----------------------------------|----------------|-------------------|
| 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 1<sup>st</sup>. 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 STATEMENT<sup>2</sup>**  
**(Civil Code Section 5310)**

1. CONTACT PERSON. The name and address of the person designated to receive official communications Mutual 04, pursuant to Civil Code Section 4035 shall be:

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

2. MULTIPLE ADDRESSES. Members may submit a written request to Mutual 04'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 04, pursuant to paragraph (3) of subdivision (a) of Section 4045 of the Civil Code shall be:

***Laundry rooms of Mutual 04***

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](http://www.lwsb.com), click on Mutual 04 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

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<sup>2</sup> 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 Rule 04-7585-1 Governing Document Compliance Corrective Measures, Shareholder Code of Conduct, and Fines.

### FINE SCHEDULE (Exhibit A)

| <b><u>Violations</u></b>  | <b>1<sup>st</sup> Offense</b>           | <b>2<sup>nd</sup> and each subsequent and/or continuation of offense</b>                                      |
|---|---|---|
| <b>Residency/occupancy violations e.g., unauthorized occupants, guests residing longer than permitted</b> | <b>Notice to comply within 48 hours</b> | <b>Notice, hearing, and fine of \$500 and \$100 per day for each additional day of non-compliance.</b>        |
| <b>Violation of Mutual Occupancy Agreement &amp; all other Rules &amp; Regulations</b>                    | <b>Written Warning</b>                  | <b>Notice, hearing, and fine of \$500 and \$100 per day for each additional day of non-compliance.</b>        |
| <b>Violation of Leasing Rules</b>   | <b>Notice, hearing, and fine \$500</b>  | <b>Notice, hearing, and fine of up to \$1500</b>  |
| <b>Violation of leasing Rules-- Lease for less than thirty days (short-term rental)</b>                   | <b>Notice, hearing, and fine \$500</b>  | <b>Notice, hearing, and fine of up to \$1500, and \$100 per day for each additional day of non-compliance</b> |

### FINE SCHEDULE (Exhibit B)

| <b><u>Violations</u></b>  | <b><u>1<sup>st</sup> Offense</u></b>   | <b>2<sup>nd</sup> Offense</b> | <b>3<sup>rd</sup> and each subsequent and/or continuation of offense per day at the discretion of the board</b> |
|---|--|-------------------------------|---|
| <b>Vehicle parked in Unassigned Parking Space or Restricted Parking Space</b> | <b>Written warning and removal of vehicle within 24 hours or immediately</b> | <b>\$50.00</b>                | <b>\$100.00</b>   |
| <b>Vehicle Blocking Crosswalk</b>   | <b>Written warning and removal of vehicle within 24 hours</b>                | <b>\$50.00</b>                | <b>\$100.00</b>   |
| <b>Vehicle with Expired or Invalid State Registration</b>                     | <b>Written warning and removal of vehicle within 24 hours</b>                | <b>\$100.00</b>               | <b>\$100.00</b>   |

|  |   |                 |                 |
|--|---|-----------------|-----------------|
| <b>Parking in Handicap<br/>Parking without<br/>Appropriate Display</b>       | <b>Written<br/>warning and<br/>removal of<br/>vehicle within<br/>24 hours</b> | <b>\$100.00</b> | <b>\$200.00</b> |
| <b>Hazardous Materials<br/>Leaking from Vehicle</b>                          | <b>Written<br/>warning and<br/>removal of<br/>vehicle within<br/>24 hours</b> | <b>\$50.00</b>  | <b>\$50.00</b>  |
| <b>Overparking in<br/>Limited Time Parking</b>                               | <b>Written<br/>warning and<br/>removal of<br/>vehicle</b>                     | <b>\$50.00</b>  | <b>\$100.00</b> |
| <b>Vehicle has No Valid<br/>GRF Decal or Parking<br/>Permit Displayed</b>    | <b>Written<br/>warning and<br/>removal of<br/>vehicle within<br/>48 hours</b> | <b>\$50.00</b>  | <b>\$100.00</b> |
| <b>Parked on Sidewalk<br/>or Grass</b>                                       | <b>Written<br/>warning and<br/>removal of<br/>vehicle within<br/>24 hours</b> | <b>\$50.00</b>  | <b>\$50.00</b>  |
| <b>Red Zone---Bus Stop</b>   | <b>Written<br/>warning and<br/>removal of<br/>vehicle within<br/>24 hours</b> | <b>\$50.00</b>  | <b>\$100.00</b> |
| <b>Red Zone---Fire<br/>Hydrant</b>   | <b>No warning<br/>and removing<br/>of vehicle<br/>immediately</b>             | <b>TOW</b>      | <b>TOW</b>      |
| <b>RV or VUFR--- No<br/>Jack Support, or<br/>Inadequate Jack<br/>Support</b> | <b>Written<br/>warning and<br/>removal of<br/>vehicle within<br/>24 hours</b> | <b>\$50.00</b>  | <b>\$50.00</b>  |
| <b>RV or VUFR---Parked<br/>More than 72 Hours</b>                            | <b>Written<br/>warning and<br/>removal of<br/>vehicle within<br/>24 hours</b> | <b>\$50.00</b>  | <b>\$50.00</b>  |

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 04 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. Rule 04-7490.3-3 Inspection Service – Building Alterations.

**SEAL BEACH MUTUAL NO. FOUR****Physical Property****Inspection Service-Building Alterations**

1 Any resident of the Corporation desiring to make any works of improvement by way of  
2 construction, either by way of change or addition to the apartment occupied by such resident,  
3 shall comply with all prior regulations and requirements adopted by this Corporation as to such  
4 works of improvement, and all state, county, or municipal laws.

5  
6 This Corporation hereby requests the Golden Rain Foundation to provide inspection services for  
7 said works of improvement while said work is in progress and when completed, assuring  
8 compliance with the regulations and requirements of this Corporation relating to such work.

9  
10 The Golden Rain Foundation shall use a staff member for such inspection services or at its  
11 discretion may employ an independent outside inspecting firm.

12  
13 No works of improvement shall commence prior to the procurement of a permit from the Golden  
14 Rain Foundation on behalf of this Corporation. The Golden Rain Foundation shall issue a permit  
15 for said work, and such work shall not commence without said permit having been issued.

**Document History**

Adopted 05 Mar 1990

**Keywords:** Mutual Four Building Alterations

## **BILLING AND COLLECTION PROCEDURES FOR THE MUTUAL 04 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.

### **04-7513-1 Delinquent Assessment Collection**

#### **Mutual Four Rules**

Prompt payment of assessments by all shareholders is critical to the financial health of Seal Beach Mutual No. 4. ("Association" or "Mutual 4") and to the enhancement of the property values of our homes. Your Board of Directors ("Board") takes its obligations very seriously under the Association's governing documents, including, without limitation, the Occupancy Agreement, and the California Civil Code ("Civil Code") to enforce the shareholders' obligation to pay assessments. Pursuant to the Association's Occupancy Agreement and the Civil Code, the following assessment practices and policies outlined below have been adopted by the Board and shall remain in effect until such time as they may be changed, modified, or amended by a duly adopted resolution of the Board.

1. Assessments, late charges, interest and collection costs, including any attorneys' fees, are the personal obligation of the shareholder of the property at the time the assessment or other sums are levied. (Civil Code Section 5650(a)).
2. 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 4 Board, which date will not be less than thirty (30) days after the date of Notice of the Assessment. 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 shareholder of the shares of stock associated with the Unit at the time when the assessment or other charge fell due regardless of whether a courtesy statement or courtesy late letter is received.
3. A shareholder 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 provided the amount in dispute does not exceed the California jurisdictional limits of the small claims court. By doing so, the shareholder may in addition to pursuing dispute resolution pursuant to Civil Code Sections 5925- 5965, commence an action in small claims court.
4. 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.

5. 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, cost of collection and fees, and attorney's fees. Such interest charges shall commence thirty (30) days after the Assessment becomes due and shall continue to be assessed each month until the account is brought current.
6. Pursuant to Civil Code Section 5650(b), Mutual 4 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 Mutual 4 not to routinely waive any duly imposed collection costs. Please also note that returned checks may be subject to a service fee.
7. Payments received on delinquent Assessment accounts will be applied first to the Assessments owed. Only after all assessments are paid in full will payments be applied to collection fees and costs, attorney's fees, late charges or interest. (Civil Code Section 5655(a)).
8. If a special Assessment is payable in installments and an installment payment of that special Assessment is delinquent for more than fifteen (15) 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.
9. The Association or the Association's managing agent may, but is not required to, send to the shareholder a late letter once an assessment becomes delinquent. A charge (if any) for the late letter will be added to the shareholder's delinquent account.
10. If the delinquent shareholder does not bring the account current within thirty (30) days of notice of the delinquency, Mutual 4 can seek an unlawful detainer and eviction pursuant to the terms of the shareholder's Occupancy Agreement.
11. 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, Mutual 4 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 4 Board.
12. In the alternative, if an assessment is delinquent, the Association or its designee, in the event the account is turned over to a collection agent, will send a pre-lien letter to the shareholder as required by Civil Code Section 5660 by certified and first class mail, to the shareholder's mailing address of record advising of the delinquent status of the account, impending collection action and the shareholder's right to request that the Association participate in internal dispute resolution ("IDR"). The shareholder will be charged collection fees and costs for the pre-lien letter. Notwithstanding the provisions of this paragraph, the Association may (i) send a pre-lien letter to a delinquent shareholder at any time when there is an open escrow involving the shareholder's separate interest, and/or (ii) issue a pre-lien letter immediately if any special assessment becomes delinquent even if the shareholder is current in paying their regular assessments.

13. If a shareholder fails to pay the amounts set forth in the pre-lien letter and fails to request IDR within thirty (30) days of the date of the pre-lien letter, the Board, by majority vote in an open meeting, shall authorize the recordation of a lien for the amount of any delinquent assessments, late charges, interest and/or collection fees and costs, including attorneys' fees, against the shareholder's property. The shareholders will be charged collection fees and costs for preparation and recordation of the lien. The lien may be enforced in any manner permitted by law, including, judicial or non-judicial foreclosure. See Civil Code Sections 5700-5720.
14. . The lien may be enforced by non-judicial foreclosure sale when either (a) the delinquent assessment amount totals One Thousand, Eight Hundred Dollars (\$1,800) or more, excluding accelerated assessments and specified late charges and fees or (b) the assessments are delinquent for more than twelve (12) months. A delinquent shareholder could lose ownership of the property if a foreclosure action is completed. The delinquent shareholder will be responsible for significant additional collection fees and costs for enforcement of the lien against the property.
15. The decision to foreclose against a lien must be made by a majority of the Board of Directors in an Executive Session meeting and the Board of Directors must record their votes in the minutes of the next open meeting of the Board. The Board must maintain the confidentiality of the delinquent shareholder(s) by identifying the matter in the minutes by the parcel number of the shareholder's property, rather than the name of the shareholder(s). Prior to initiating the foreclosure sale against a recorded lien, the Association shall offer delinquent shareholders the option of participating in IDR or Alternative Dispute Resolution ("ADR") with a neutral third party pursuant to Civil Code Sections 5925-5965, except that binding arbitration shall not be available if the Association intends to initiate a judicial foreclosure.
16. Upon a shareholder's written demand, the Association shall make specified Association records available for inspection and copying pursuant to Civil Code Sections 5200-5240.
17. In the event it is determined that the shareholder has paid the assessments on time, the shareholder will not be liable to pay the charges, interests, and costs of collection.
18. The shareholder has the right to request a meeting with the Board of Directors as provided by Civil Code Section 5665.
19. A shareholder has the right to dispute the debt by submitting a written request for dispute resolution pursuant to the Association's "meet and confer" program pursuant to Civil Code Sections 5900-5920.
20. A shareholder may submit a written request to discuss a payment plan for the debt to the Association's Board. The Board is not required to meet with an shareholder unless the request is mailed within fifteen (15) days of the date of the postmark of the pre-lien letter, in which case the Board shall meet with the shareholder in Executive Session within forty-five (45) days of the postmark of the request unless there is no regularly scheduled Board meeting within that period, in which case the Board may designate a committee of one or more directors to meet with the shareholder.
21. The Association shall provide the shareholder the standard for payment plans if any exist. The Board will consider payment plan requests on a case-by-case basis and is under no obligation to grant payment plans. Payment plans shall not interfere with the Association's



ability to record a lien against a shareholder's separate interest to secure payment for the shareholder's delinquent assessments. If the Board authorizes a payment plan, it may incorporate payment of ongoing assessments that accrue during the payment plan period. If a payment plan is approved, additional late fees from the shareholder will not accrue while the shareholder remains current under the terms of the payment plan. If the shareholder breaches an approved payment plan, the Association may resume its collection action from the time prior to entering into the payment plan.

- 22.** Nothing herein limits or otherwise affects the Association's right to proceed in any lawful manner to collect any delinquent sums owed to the Association.
- 23.** Prior to the release of any lien, or dismissal of any legal action, all assessments, late charges, interest, and collection fees and costs, including attorneys' fees, must be paid in full to the Association.
- 24.** There is no right of offset. A shareholder may not withhold Assessments owed to Mutual 4 on the alleged grounds that the shareholder would be entitled to recover money or damages from Mutual 4 based on some other obligation or some claim of another obligation
- 25.** The Association shall charge the shareholder a Twenty-Five Dollar (\$25.00) fee for the first check tendered to the Association that is returned unpaid by the shareholder's bank and Thirty-Five Dollars (\$35.00) for each subsequent check passed on insufficient funds. If the check cannot be negotiated, the Association may also seek to recover damages of at least One Hundred Dollars (\$100.00), or, if higher, three (3) times the amount of the check up to One Thousand, Five Hundred Dollars (\$1,500.00) pursuant to Civil Code Section 1719.
- 26.** Shareholders have a right to identify in writing to Mutual 4 a secondary address for purposes of, without limitation, collection notices delivered pursuant to this Article. The shareholder's request shall be in writing and shall be mailed to the Association in a way that shall indicate that the Association has received it. A shareholder may identify or change a secondary address at any time, provided that, if a secondary address is identified or changed during the collection process, the Association shall only be required to send notices to the indicated secondary address from the point the Association receives the request. Upon receipt of a written request from a shareholder identifying a secondary address, Mutual 4 shall send notices to that secondary address.
- 27.** All charges and fees set forth in this Article are subject to change upon thirty (30) days prior written notice.
- 28.** Mutual 4 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.
- 29.** If a lawsuit or unlawful detainer action is initiated by Mutual 4 to recover Assessments, Mutual 4 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 Mutual 4's Bylaws, the shareholder's Occupancy Agreement, and/or other Governing Documents.

30. Until the shareholder has paid all amounts due, including delinquent assessments, late charges, interest and fees and costs of collection, including attorneys' fees, the Board of Directors may, to the fullest extent permissible under the CC&Rs and applicable law, suspend the shareholder's right to use the Association's common area facilities after providing the shareholder with notice of a duly noticed hearing before the Board. No suspension imposed may prevent the delinquent shareholder from the use, benefit, and pleasure of the shareholder's separate interest.
31. 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.
32. When a shareholder makes a payment, the shareholder may request a receipt and Mutual 4 shall provide same which shall indicate the date of payment and person who received such payment.
33. **The mailing address for overnight payment of assessments is:** SEAL BEACH MUTUAL NO. 4 Leisure World Attn: Cashier, Finance Office 3590 P.O. Box 2069 Seal Beach, California 90740

# **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 04  
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.

**SEAL BEACH MUTUAL NO. FOUR****Administrative Services****Internal Dispute Resolution – IDR**

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

**Document History**

Adopted: All Mutuals  
Adopted at  
Same Time

**Keywords:** Mutual Four Internal Dispute Resolution

## **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>                            | <b>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)</b> |
|--|------------------------------|-----------------|---------------------------------------|---|
| 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<br>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<br>the Board of Directors conducted<br>over the previous 12 months,<br>if requested | Section 4525(a)(10)                | \$35.00                               |
| <b>Total fees for these documents:</b>   |                                    | <b><u>\$395.00</u></b>                |

\*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:**

# GOLDEN RAIN FOUNDATION

Seal Beach, California

## Consent to Receive Notices by Electronic Communication

This form ("Consent") is to authorize Golden Rain Foundation, on behalf of itself and the 16 Mutuals, ("GRF") to communicate with the undersigned via Electronic Communication in lieu of first-class mail or other methods. The phrase "Electronic Communication" includes communication by electronic mail (facsimile and e-mail); televised meetings; conference calling; webcams; electronic message board, network and website; and any other similar means of electronic communication.

The undersigned is a member of GRF and the below referenced Mutual and consents to receive from GRF the following documents by Electronic Communication:

- 1. Notices of meetings of members and/or of the board and committees of GRF/Mutual.**
- 2. Documents concerning GRF/Mutual operations required to be mailed pursuant to their Governing Documents (Articles of Incorporation, Bylaws and/or CC&Rs (Mutual 17) and/or the *Davis-Stirling Common Interest Development Act*.**

The undersigned bears the responsibility to provide notice to the GRF should his/her information change, so as to have a current email address on file with the GRF. This form or the undersigned's consent to receive notice by Electronic Communication may be submitted by electronic communication. The undersigned understands that this authorization will remain in effect until consent to receive notice by Electronic Communication is revoked, in writing (including by Electronic Communication).

Execution of the Consent waives rights to receipt of information by first class mail. The undersigned is authorized to execute this Consent on behalf of all record owners of the property whose address is below. The undersigned authorizes GRF to communicate to the following electronic addresses:

DATED: \_\_\_\_\_, 202\_\_

\_\_\_\_\_  
Member's name (signature)

\_\_\_\_\_  
Member's name (print)

Email(s): \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Member's Mutual

\_\_\_\_\_  
Member's address