SEAL BEACH MUTUAL NO. EIGHT

RULES AND REGULATIONS

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Article I – Governance and Corporate Structure

Section 1.1 – Governance.

Seal Beach Mutual No. Eight is a stock cooperative housing corporation organized under the California Corporation Law ("Mutual") and is a General California Corporation providing housing on a non-profit basis. The Mutual is comprised of three hundred forty-eight (348) shares of stock. The Golden Rain Foundation is not a housing corporation, but a corporation that manages the shared community facilities. Each owner of a share of stock in the Mutual (hereinafter "Shareholder") is a shareholder of the mutual as well as a member of the Golden Rain Foundation. The Mutual has its own set of governing documents, filed with the Secretary of State and transferred to each shareholder through escrow.

Section 1.2 – Senior Housing Development.

According to California Civil Code Section 51.3, in order to reside in a senior housing development at least one occupant must be 55 years of age or older; all other persons who reside must be at least 55 years of age, unless the other occupant is: (1) a spouse or registered domestic partner; or (2) a primary provider of physical health care. Any person wishing to reside in the community must meet the above qualifications and obtain prior approval from the Board of Directors.

Section 1.3 – Co-Occupant.

The community facilities of the GRF are maintained for the use of members of GRF and Qualifying Residents of the Mutual(s), subject to the following exceptions:

1.3.1 Co-Occupants

a. Senior citizens, as defined in California Civil Code Section 51.3 (b)(1), who are not Shareholders of the Mutual, but are approved by the Mutual to reside with a Qualifying Resident, shall be entitled to use all of the community facilities upon payment of a fee equal to the Amenities Fee.

b. In order to comply with section 51.3 of the California Civil Code, the following people may reside in the Mutual: (i) a person who is 55 years of age or older; (ii) a person who has completed the Co-Occupant Application; (iii) a person who has written authorization from the Mutual President, or any Mutual Officer so designated by the Mutual President, to reside in the Unit; (iv) a person who has paid the required Amenities Fee to the GRF.

1.3.2 Qualified Permanent Residents. Qualified Permanent Residents are persons who are not senior citizens as defined in Civil Code Section 51.3(b)(1), who can present proof that they are eligible to be classified as Qualified Permanent Residents under Civil Code Section 51.3(b)(2). Such Qualified Permanent Residents shall be entitled to use all of the community facilities upon payment of a fee equal to the Amenities Fee. The Mutual will not permit any immediate or collateral family, in any relationship with a Qualified

Permanent Resident to live with the Qualified Permanent Resident while maintaining the Qualified Permanent Resident status and residing with a Qualifying Resident.

Section 1.4 – Health Care Providers.
In order to work as a caregiver in the Mutual, a caregiver must comply with the following:

1.4.1 Business License. The Mutual recommends that all Caregivers have a valid business license, issued by the City of Seal Beach and/or work for an agency with a valid business license, issued by the City of Seal Beach.

1.4.1.1 Exceptions to 1.4.1. A family member of a Qualifying Resident, who is acting in the capacity of a caregiver is exempt from possessing a business license but must apply and receive a caregiver's pass and badge.

1.4.2 Driver's License. Any caregiver working in Mutual Fourteen must have a valid driver's license if driving a vehicle into Leisure World.

1.4.3 Pass and Badge Requirements. All caregivers (including family members without a business license) as an individual, or through an agency, must apply and receive a caregiver's pass and clear badge holder through the GRF Stock Transfer Office. The Pass must: (1) be renewed every six (6) months; (2) be worn in clear sight at all times; and (3) may not be transferred or lent to anyone.

1.4.3 Caregiver's Use of Laundry Facilities.

1.4.3.1 Part-time caregivers may use laundry facilities for Shareholder's laundry only. Part-time caregivers who use Mutual laundry facilities for their personal or family use will be permanently banned from the Mutual.

1.4.3.2 Caregivers who serve as 24-hour caregivers, and live within the Qualifying Resident's Unit, may use washers and dryers for their personal use, but may not use the washers and dryers for other family members or friends.

1.4.4 Caregiver's Use of Facilities. Caregivers are not entitled to use any of the community facilities.

1.4.5 Caregiver Actions. Caregivers, as an invitee or the Qualifying Resident, must act in compliance with the Rules and Regulations of the Mutual at all times. Specifically, a Caregiver must cease any noise that could be considered disruptive (i.e. no loud televisions, radios, or talking, so as not to disturb the quiet enjoyment of other Qualifying Residents and Shareholders), after 10:00 p.m. Caregivers are not allowed to have guests or invitees, including without limitation, family members or friends, to the Unit or anywhere within the Mutual. Caregivers shall not bring any pets into the Mutual and/or Leisure World. Caregivers shall not utilize any Mutual and/or GRF community facilities.

1.4.6 Caregiver Parking. If a Qualifying Resident does not own a vehicle, the Qualifying Resident's caregiver may use the carport space associated with the Qualifying Resident's Unit, for purposes of parking their own vehicle, only after obtaining a temporary parking permit through the GRF Stock Transfer Office. Such temporary parking permit must always be clearly displayed on dashboard of the caregiver's vehicle.

Section 1.5 – Governing Documents.
The Mutual's governing documents include these Rules and Regulations, the Articles of Incorporation, Bylaws, and an Occupancy Agreement between the Mutual and each Qualifying Resident (hereinafter collectively the "Governing Documents"). The Mutual leadership consists of a five (5) member Board of Directors (hereinafter "Mutual Board"), elected by the shareholders of the Mutual.

Section 1.6 – Golden Rain Foundation.
The purpose of the Golden Rain Foundation ("GRF") is to develop and maintain facilities and services, acting as Trustee of the Golden Rain Foundation. This includes recreational facilities, security gates, bus transportation system, and community center. One shareholder from the Mutual is elected to serve on the Board of Directors of the GRF.

Section 1.7 – Additional Definitions.
As used herein, the following terms shall have the meanings prescribed below.

1.7.1 Qualifying Resident – "Qualifying Resident" shall mean any person who: (1) meets the age requirements as set forth in California Civil Code Section 51.3 et seq.; (2) has been approved by the Mutual Board for occupancy of a Unit, pursuant to the terms of the Governing Documents; (3) is a Shareholder of the Mutual; and (4) resides in a Unit.

1.7.2 Unit – "Unit" shall mean a dwelling unit owned by the Mutual, which a Qualifying Resident has the exclusive right to occupy pursuant to the Occupancy Agreement between the Mutual and Qualifying Resident.

1.7.3 Qualified Permanent Resident: Any person who meets the requirements as set forth in California Civil Code Section 51.3, et. seq.

Article II – Architectural Guidelines

Section 2.1 – Contractor's License.
No Shareholder shall hire any unlicensed individual to perform repairs, alterations and/or other such work in or to the Shareholder's Unit which will cost more than five hundred dollars ($500.00). All repairs, alterations and/or other such work that will cost more than five hundred dollars ($500.00) must be completed by a contractor licensed by the State of California and carrying the proper insurance, as required by the Board.

Section 2.2 – GRF Permit for Building Alterations/Additions.
In order to conduct any construction for the alterations and/or additions in the Shareholder's Unit within the Mutual buildings, the Shareholder must submit an application for issuance of a building permit to the Physical Property Department and obtain a GRF Permit for the alterations and/or additions. The Shareholder must provide the Physical Property Department with a written, signed proposal and contract between the Shareholder and the contractor performing the work, which describes the work to be done by the contractor, the fees to be paid, and the commencement and completion dates of the work. Such contract must be in the form of the appropriate Standard Form Contract provided by GRF and must be properly completed and signed by the Shareholder and contractor proposing to do the work.

The Standard Form Contract will contain a per day penalty for every calendar day that exceeds the completion date set forth in the Contract. Said penalty to be paid by the Contractor to the Shareholder. The Mutual Board, or its designee, may make an exception to the completion date and award an extension to the contractor without penalty due to unforeseen delays or problems.

Mutual requires the signature of the Mutual President or his or her designate on any building permit, building plans, and change orders issued for Unit remodeling and approved by GRF.

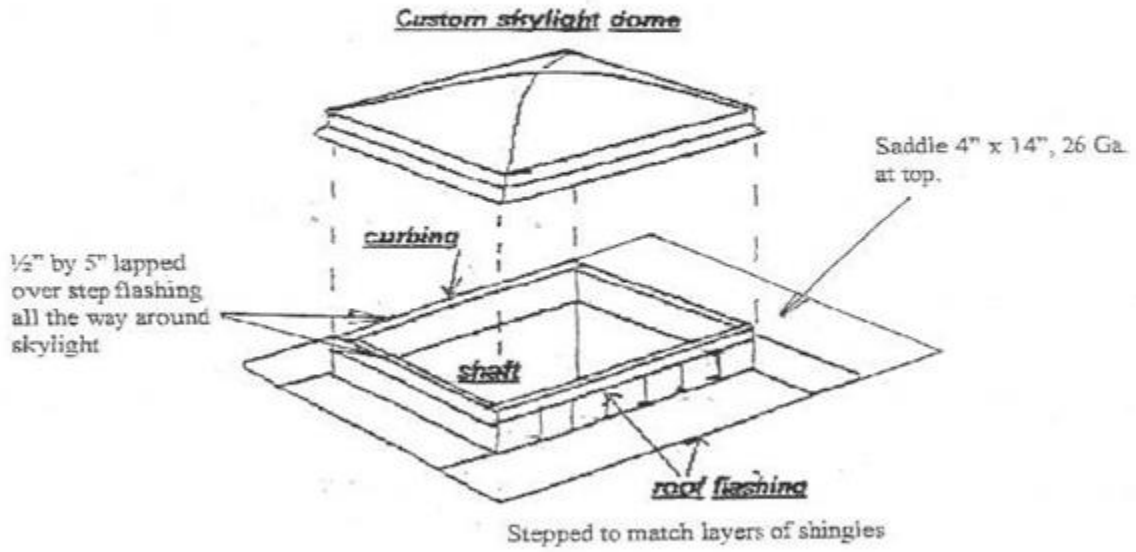
No Shareholder shall make any structural alterations in the Unit or Mutual premises, or in the water, electrical conduits, plumbing or other fixtures connected therewith, or remove any additions, improvements or fixtures from the Unit or Mutual premises, without the prior written consent of the Mutual and GRF.

Section 2.3 – Mutual Not Responsible for Damage.
The Mutual is not responsible to any Shareholder, or any successor Shareholder, for any damage to any Unit, regardless of date of installation or cause of damage or failure.

Section 2.4 – Installation of Showers/Bathtubs.
Shareholders may install a bathtub within the Shareholder's Unit at the Shareholder's own expense, so long as the bathtub meets the requirements set forth in this section. The bathtub must have a minimum inside width of nineteen (19) inches. A Shareholder may install a shower door (piano hinge) within the Shareholder's Unit, when shower cut-downs are performed in the Shareholder's Unit, at the Shareholder's own expense.

Section 2.5 – Skylights for Bathrooms or Kitchens.
A Shareholder may install a skylight in any room of a Unit when the Mutual Board determines that the attic space at the place of choice does not inhibit installation. In the kitchen and original bathroom area, a skylight may be 24" x 24". In other approved locations, a skylight shall not exceed 30" x 60". All skylights must be installed in line with the existing kitchen, bathroom, living room, or porch line already on the roof. All skylights must be parallel with the roofline. Only Velux or domed clear white or tinted dual glazed skylights are permitted to be installed. Tubes are acceptable and must be installed parallel with other skylights and the roofline. All new wood used must be treated for termites. All flashing must be painted to match other skylights on roof.

The skylight curbing shall consist of 2" x 6" framing within a minimum 4" rise above roof sheathing. All flashing material shall be at least 26-gauge and consist of galvanized sheet metal. The top flashing shall consist of 4" x 6" and stepped to match the layers of the shingles. Saddle at top to be 4" x 14" 26-gauge. Flashing ½" x 5" shall be placed on top of the curb, lapped over stop flashing, all the way around the skylight. Only curb-mounted skylights shall be allowed. No self-flashing skylights are permitted. At the time of resale of a Unit, all non-standard skylights must be removed and replaced with curb-mounted skylights, at the Shareholder's expense.



Section 2.6 – Microwave Ovens.

A Shareholder may install a special model microwave in the kitchen of the Shareholder's Unit, at the Shareholder's own expense, in place of the stove hood. The installed microwave will be a permanent installation to be maintained by the Shareholder and on resale of the Mutual Share related to the Unit, the new Shareholder will assume responsibility for the maintenance. All microwave units must include an exhaust fan feature and be vented through the Unit's roof.

Section 2.7 – Ceiling Fans.

Ceiling fans may be installed in any location/ the kitchen provided that they meet the City of Seal Beach's specifications of a six (6) feet, eight (8) inches clearance from blades to floor. Ceiling fans are permitted in any location in a Unit provided ceiling heat in said room has been disabled and an approved alternate heat source has been installed and is operational.

Section 2.8 – Notification of Remodeling.
The Contractor is instructed to notify the Qualifying Residents of all adjacent Units that share common entryways and common walls of the intent and scope of all proposed remodeling work at least four (4) days prior to the commencement of the work. Any adjacent Qualifying Resident who is unable to be notified in person will have a letter mailed to them indicating the intent and scope of remodeling work to be performed. A record of all notifications must be maintained in the Physical Property Department.

Section 2.9 – Washers and Dryers in Unit.
Any washer and dryer in a Shareholder's Unit, of any make or model, whether side by side or stackable, shall be cleaned every two (2) years, so that all dryer vent areas are thoroughly cleaned and free of lint for clear passage of air flow from machine to roof top areas. A sticker with the date of cleaning must be affixed to the cleanout cover every time a cleaning is performed by Service Maintenance or an outside vendor.

In addition, all washing machine hoses and fittings must be checked every two years for any leakage or hardening and/or cracking of the hoses. Moving the washer/dryer is not a requirement. If any of these conditions are found, the hoses are to be replaced with a follow- up by the GRF Building Inspector to verify completion. In all closes of escrow and changes of stock, all hoses must be inspected prior to closing. The maintenance fee for this work shall be borne by the Shareholder. Further, during the fire inspections conducted annually, or biannually, the GRF Building Inspector will compile a list of all units containing a washer and dryer.

New washers and dryer installations shall be submitted to the Physical Property Department with a plan describing the proposed connection to the sewer. All washers shall be installed with a battery powered water alarm behind the washing machine unit at the floor. Only braided metal supply hoses are allowed for the appliance. Dryer vents must go to the roof and have a clean out accessible within the Unit. All venting must be galvanized pipe with a short flex line used for the connection to the appliance. This ensures that the appliance may be pulled out and serviced without breaking the vent seal. The contractor may cut a hole for the vent from within the attic but may not have access to the roof of the Mutual building. The contractor must then contact the Mutual roofer to have it flashed with the approved damper cap. An insulation inspection must occur to verify the presence of the soundproofing before the GRF Building Inspector will sign off on the project. The Shareholder and/or Qualifying Resident assumes full responsibility for any damage incurred as a result of the installation and/or use of a personal washer and/or dryer in their Unit.

Section 2.10 – Walk-In Therapeutic/Jacuzzi-Type Bathtubs.
If a shareholder wishes to install a walk-in therapeutic bathtub or Jacuzzi and the related equipment/ appurtenances, the following must be adhered to:

2.10.1 Shareholder must obtain a permit to install the walk-in therapeutic bathtub or Jacuzzi and related equipment/appurtenances must be obtained from the Physical Property Department of

the Golden Rain Foundation, prior to having the bathtub/Jacuzzi installed. Shareholder shall assume financial responsibility in case the licensed contractor fails to comply with all provisions of the permit and all GRF and Mutual Policies, Rules and Regulations, and agrees to return the Mutual property to its original condition or satisfactorily complete the installation.

2.10.2 The Mutual has the authority and authorization to remove the bathtub/Jacuzzi and related equipment/appurtenances and return the shower/tub area to its original condition at the Shareholder's expense if the installation does not comply with the provisions of this Section.

2.10.3 The walk-in therapeutic bathtub/Jacuzzi shall have:

(i) Sound board applied to all surrounding walls, floor to ceiling, with drywall mud and taped;

(ii) The shower trap shall be replaced using an all-glue ABS trap and a 2" trap with accessible clean out shall be maintained;

(iii) All new water piping shall be type "L" copper pipe and insulated. Water tie-ins shall be at water heater valve shutoffs. Copper to galvanized connections separated by minimum 6" brass nipple with ball valves accessible from access hole;

(iv) The bathtub/Jacuzzi faucets shall have quarter turn shut offs that are accessible, all angle stops to be DAHL ECHO type. The discharge of water shall be by gravity drain. A pump may only be used if the discharge rate does not exceed 7 gpm (gallons per minute). Air injection jets may only be installed if they do not exceed a 44-decibel sound level. If they are an integral part of the bathtub/Jacuzzi, they must be disabled if they do not meet this sound level;

(vi) A 50-gallon (minimum) water heater shall be installed with a re-circulating pump for the bathtub/Jacuzzi unless an alternate source for maintaining adequate hot water temperature at the bathtub/Jacuzzi is provided such as a tank-less booster water heater at the bathtub/Jacuzzi. A sub-panel is not permitted.

(vii) The main electrical panel must be upgraded to a 125-amp square D electrical panel with a 100-amp main breaker, as necessary, to provide sufficient circuit breakers. A sub-panel is not permitted.

2.10.4 Any damage which may occur to the building and/or appurtenances thereto during and/or after installation of bathtub/Jacuzzi and related equipment/appurtenances is the responsibility of the Shareholder and any repairs shall be paid for by the Shareholder. Further, the Shareholder, at their expense, shall be responsible for any removal/ re-installation of the bathtub/Jacuzzi deemed necessary by the Mutual for the purpose of repairs and/or maintenance work to the building and/or appurtenances thereto.

2.10.4.1 To cover any damage resulting from the use or operation of the bathtub/Jacuzzi to Mutual property or to any property in adjacent units, the Shareholder agrees to maintain a liability insurance policy with a minimum of $300,000.00 in coverage. The Shareholder is financially responsible for any damages resulting from having the bathtub/Jacuzzi in their Unit.

2.10.5. The bathtub/Jacuzzi and related equipment/appurtenances shall be maintained in good working condition. If the bathtub/Jacuzzi and/or related equipment/appurtenances are not maintained in good operating condition by the Shareholder, the bathtub/Jacuzzi and related equipment/appurtenances shall be removed, repaired, and/or replaced at the Shareholder's expense independent of Service Maintenance.

2.10.6 The bathtub/Jacuzzi and related equipment/appurtenances must be removed and replaced with a standard shower and appurtenances upon sale or transfer of the Unit, at the Shareholder's expense, unless the buyers/transferees sign a supplemental agreement accepting responsibility for the bathtub/Jacuzzi and related equipment/appurtenances and agree to the rules of this regulation.

Section 2.11 – Pre-Demolition.

The Shareholder's Contractor shall notify all surrounding units four (4) days prior to demolition of any kind. Contractor may petition the GRF Building Inspector to designate one parking space to be coned off overnight Monday through Thursday, only during the initial phases of construction. The Mutual reserves the right to revoke any such designated parking space at any time.

Contractors shall block off their site with an approved orange netting at all times until final inspection occurs. They may use the grass areas in front of the unit during the day when marked off by the orange netting. All work tools must be removed from the grass area overnight and on weekends. The Mutual is not responsible for any damage, loss and/or theft of the contractor's tools.

Section 2.12 – Demolition.

The contractor must, at all times, have an approved, fully charged and visible fire extinguisher on-site. Demolition must be tarped off so that no dust can enter the common attic space or affect neighboring units. If possible, the contractor is to lightly spray the demo area to keep dust down. Contractors may not use Mutual trash dumpsters to dispose of material. All trash must be hauled off site daily. The contractor must ensure that the work area is visibly blocked off from any access. The Shareholder and contractor will be responsible for any damage or injury caused to any Shareholder, Qualifying Resident, guest or invitee who is injured due to the contractor's failure to safely secure the work area.

Section 2.13 – Concrete.

Any new concrete work being done at a Unit must include a 12" concrete apron along the front of the garden. With the apron, the hose bib line will need to be changed to copper type L with an approved hose bib. The copper line must pass through the concrete with a sleeve of ABS larger than the copper pipe. All new concrete defined as foundations, porches, aprons, and walkways shall be doweled into existing slabs a minimum of 24-inch on center with a #4 rebar and at least a 6-inch embedment.

Section 2.14 – Framing.
At framing inspection, the contractor shall treat the exposed framing for termite resistance with a product such as Tim-bor. Tim-bor must be applied by brush or spray as follows: two applications of a 10% solution when drier than normal; one application of 15% solution when normal moisture.

When a Unit is remodeled, the architect, engineer, and/or contractor shall design and construct all the ceiling systems in such a way that allows for a minimum of 1" unobstructed flow of air from the eave vents up to the ridge vent. No framing material or insulation shall obstruct this air flow. If the insulation is going to close this 1" space, then a plastic baffle shall be installed to maintain it. No wood trim or coverings will be allowed on the exterior. Only termite resistant products shall be allowed on the exterior finish. Cement fiber trim and hard panel siding are standard. However, composites may be reviewed by the Mutual Board for approval. The only wood to remain for an exterior remodel is the original roof overhang that includes vent blocks, rafters, fascia, and plywood. If these are damaged or repaired by the contractor, the contractor shall replace wood to match existing and paint to match. Wood must be primed and painted with the approved paint. The Mutual will maintain the maintenance responsibility for the exterior wood members upon completion and approval of the work.

Section 2.15 – Drywall.
All drywall at common walls, ceilings, skylight shafts shall be type x 5/8.

Section 2.16 – Plumbing.
The Shareholder shall ensure that if any work is to be done on exposed original plumbing, (water/sewer) that the plumbing shall be changed to either copper type L with sweat joints or ABS with no hub connections. Full remodels shall have a brass ball valve main shut off installed for the cold water entering the unit. From this location, all cold-water systems shall be in copper type L and be directed to the kitchen and bathrooms.

If localized remodels occur for the kitchen or bath, a valve shall be used for the cold water servicing these locations. All valves shall be easily accessible. The shut off valve for the hot water shall be at the cold-water supply to the water heater and easily accessible through a panel. The water heater shall be easily accessible for service and have a drip pan and water alarm installed by the contractor for any plumbing remodel. Only metal braided supply lines with ¼ turn metal angle stops are allowed for all plumbing fixtures. Toilet supply lines shall have metal nuts.

2.16.1 Plumbing Blockages

Mutual shall pay the charges for all common mainline and back to back blockage in the kitchen and bathroom sinks. Shareholder shall pay for any toilet blockage, sink blockage, or tub/shower stoppage that affects their Unit only. Service Maintenance will perform all plumbing repairs and Shareholder will be responsible for any damages caused by any isolated blockage.

2.16.2 Annual Cleaning of Sewer Laterals

Mutual shall pay for an annual spring cleaning of the lateral sewer of the Mutual as a preventative maintenance measure, provided a reasonable bid can be secured to perform the work.

Section 2.17 – Electrical.

If a new circuit is required and space cannot be found within the existing panel, then a new panel will be necessary and shall only be squareD Q0124L125A 24 spaces/24 circuits with 100 amp main shut off. No sub panels when remodeling. All electrical boxes in the common walls shall be metal, not plastic. All remodels shall require high efficiency lighting such as LED, Gu24, or fluorescent tube. No screw in bulbs will be permitted.

Section 2.18 – Draftstopping.

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

Section 2.19 – Insulation/Sound Proofing/Fireproofing.

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

Section 2.20 – Flooring.

Shareholders may replace flooring within their Units, with a permit from GRF and using a licensed contractor, approved by GRF. Any replaced flooring must be tested or disposed of properly at Shareholder's expense. Outside porches require a crack isolation barrier. Porch flooring transition to entry walks are Shareholder's responsibility and must be made flush by raising concrete entry walkways. Kitchen, bathroom, and porch flooring must meet friction coefficient standard as stated in Seal Beach Building Codes.

Section 2.21 – Dishwashers.

Shareholders may have any make or model built-in dishwasher installed in their Units at their own expense by a licensed contractor approved by the GRF Physical Property Department after securing the necessary permits from the GRF Physical Property Department prior to beginning work. The dishwasher requires a separate electrical circuit. The Shareholder assumes full responsibility for any damage incurred as a result of a dishwasher, whether built-in or portable in their Unit. All pluming and alterations to be completed by contractor and inspected by GRF inspector.

Section 2.22 – Appliances.
A Qualifying Resident that has lived in his/her Unit for six (6) months or less, and received new appliances from the Mutual, may not remove the appliances in a remodel unless they refund the Mutual the full value of the appliances at the time of installation.

No appliance which is Mutual property may be sold, given away, or disposed of by the Qualifying Resident and/or the contractor. The Qualifying Resident or contractor must notify a director on the Mutual Board or the GRF Building Inspector to confirm what options are authorized. This notification must be made at least seven (7) days prior to the removal of the appliances. If any appliance is stored in the Unit, it must continue to be cleaned and left undamaged until the Mutual picks up the appliance. Mutual appliances are defined as: stoves, ovens, hoods, refrigerators, garbage disposals, water heaters, sinks, faucets, lighting fixtures and ceiling heater/vent/light units.

All expansions or permanent fixtures and appliances to the unit become Mutual property when attached to the building. The Mutual and/or GRF will not be responsible for any reimbursement of any expansions or fixtures which become Mutual property.

Section 2.23 – Exterior Coverings and Blinds.
Plans for all exterior coverings and/or blinds on windows, doors, doorways, and entry or exit areas must be submitted to and approved by the Mutual Board and meet the standards and approval of the Physical Property Department prior to installation. Exterior coverings, including but not limited to solar blinds, mini blinds, vertical blinds, or roll- up bamboo blinds, are permitted only within the inside of each Qualifying Resident's porch or Unit, and may not be attached to the Mutual's building outside of the porch, or interior window header when the unit has been extended. The Mutual prohibits exterior coverings to be attached to the building outside of the porch header or attached to rafter tails or building fascia. Permanent shade coverings such as metal/ canvas extended shade structures or awnings shall be permitted with approval of GRF permit building inspector.

Section 2.24 – Gutters.
A patch to a gutter is not permitted in any remodel which alters the gutter or moves a downspout. A contractor may reuse and modify the downspout. Full lengths of gutter without patches must be installed by the contractor. A contractor must contact the Mutual-approved roofer and have the roofer install full lengths of gutter without patches on new roofs that have gutters with one seam at the middle of the building. The install will be at least one half the entire length of the building without patches. Downspouts may be reused but will only be located as per the GRF Building Inspector's direction.

Section 2.25 – Equipment Standards.
The Mutual has approved a revised standardization of appliances list. This list may be updated by the Purchasing Department from time to time as manufacturers improve, modify or replace

models, thereby altering the current applicable model numbers. The revised list will be published annually. It is attached hereto as Exhibit "A".

Section 2.26 – Smoke Detectors.
When all or any remodel work is done to a Unit, ALL smoke detectors/alarms must be replaced with a Kidde i9010 Tamperproof 10-Year Sealed Lithium Battery-Operated Smoke Alarm and/or Kidde 12010S Worry-Free Hardwired Interconnected Smoke Alarm Sealed Lithium Battery Backup, where applicable, or an equal and equivalent device approved by the Mutual Board and the City of Seal Beach.

Section 2.27 – Performance Bonds for Construction Work over Ten Thousand Dollars.
Permits for any construction work performed in the Mutual valued at more than $10,000 shall require a Performance Bond. The bond shall provide sufficient funds in the event the work is not completed on time, in accordance to approved plans, and/or to the satisfaction of the Mutual, for any reason. Exceptions to this bond requirement are as follows: (1) The contractor is listed on the Physical Property list of approved contractors; and, (2) The contractor has completed more than one-hundred thousand dollars ($100,000.00) per year in contracts in Leisure World for the last three (3) years.

Section 2.28 – Roof Extensions.
A Shareholder may apply to extend the roof structure to cover the existing porch area adjacent to the Shareholder's Unit. The construction must conform to the plans and specifications approved by the architect of the Los Angeles Office of the Federal Housing Administration and a building permit must be obtained from the City of Seal Beach, California. The Shareholder agrees that title to the remodeling and addition shall vest in the Mutual.

Section 2.29 – Roof Leaks.
When a roof leak occurs in a Mutual building, and if a roofing contractor fails to effect warranty repairs within fifteen (15) working days from notification by the Physical Property Department, the Service Maintenance Department will make such repairs.

A Qualifying Resident should report any known or suspected roof leaks to the Mutual Board and/or the Service Maintenance Department. The leak will then be recorded in the Roof Leaks Log by the Physical Property Department. The Physical Property Department Secretary will report the leak to the appropriate GRF Building Inspector, and the GRF Building Inspector will initiate a Roof Leak Report. The GRF Building Inspector will determine whether the leak is under warranty and, if not, whether it is the responsibility of the Mutual or the Qualifying Resident to repair.

If the leak is under warranty, the GRF Building Inspector will provide written notice to the contractor holding the warranty. The contractor is given a period of fifteen (15) working days to repair the leak.

If the leak is not repaired within fifteen (15) working days by the contractor holding the warranty, the Inspector must notify the Service Maintenance Department to perform the work. Upon completion, the Service Maintenance Department will prepare a monthly status report on assigned roofs and will issue a copy to the Mutual and Physical Property Department and forward a service repair order to accounting to invoice the contractor. The Inspector will notify the Physical Property Department Secretary to record the job as complete in the Roof Leaks Log.

If the leak is not under warranty and is the responsibility of the Mutual, the GRF Building Inspector must report the leak to the Service Maintenance Department. The Service Maintenance Department will perform the work and prepare a monthly status report on assigned roofs and will issue a copy to the Mutual and Physical Property Department. The Service Maintenance Department will generate a service repair order and invoice. The GRF Building Inspector will notify the Physical Property Department Secretary to record the job as complete in the Roof Leaks Log.

Section 2.30 – Roof and Attic Access.

No person shall access the roof or attic areas of any building in the Mutual without the express permission and approval of the GRF Physical Property Department. The only person within this Physical Property Department who may give such permission or approval is the GRF Building Inspector or the GRF Physical Property Facilities Director, or their specific and assigned designees. This prohibition includes: (i) Any Shareholder, even if such Shareholder is an occupant of the building whose roof or attic is being accessed; (ii) Any other person related to, or associated with, any other resident or Shareholder such as a caregiver, a relative, or guest, and including any director sitting on the Mutual Board, including any two or more such directors in concert; (iii) Any contractor of any sort for whom access had been requested or granted for an existing contract, any prior contract, or for the purpose of bidding on a future contract; and (iv) Any public official such as an inspector or other legal authority without proper, documented permission. Emergency circumstance to protect persons or property, of course, preempt any and all such restrictions and limitations.

Section 2.31 – Filled Concrete Block and Footings.

A Shareholder may apply to GRF to obtain a permit for the use of the "filled type" decorative blocks in enclosing porches. A Shareholder must acknowledge that sufficient footings will be placed under the edge of the slab where said blocks are to be installed, in order to adequately provide for the added weight on the slab. If blocks are fully filled, must have stucco finish on both sides and painted to match the building.

Section 2.32 – Liners for Decorative Block Walls.

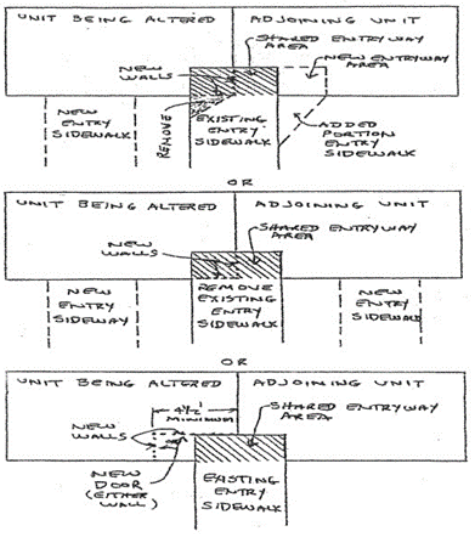
A Shareholder is not permitted to use organic materials, such as plywood, to line interior decorative block walls. Approved materials are cement board, clear Plexiglas, white vinyl, lattice panels. No wire fence or mesh allowed.

Section 2.33 – Bay Windows.

All bay windows presently covered with T-111 plywood, distressed plywood, or wood siding, and any other wood product that complements the bay windows such as corbels and decorative trim, shall be removed and replaced with stucco when the bay window framing and covering are infested with termites. All remodels that include bay windows shall be constructed with stucco as the exterior covering and shall be "bay to grade" construction. The expense of the entire remodel and "bay to grade" construction shall be the responsibility of the Shareholder.

Section 2.34 – Common Entry Walkways.

When two units are side-by-side and share a common entrance walkway and one Shareholder wants to relocate their entry walkway, that Shareholder must obtain permission, in writing, from the Shareholder of the other affected adjacent unit. The entrance for the adjacent unit shall be relocated at the sole expense of the Shareholder whose unit is being altered to provide the minimum/maximum four feet six inches (4', 6"). The total width will include three-inch (3") buffers on each side if decorative stone is being used.



Section 2.35 – HVAC.

A Qualifying Resident may apply to install an air conditioning system within the Qualifying Resident's Unit, at the Qualifying Resident's expense. A Qualifying Resident's applying to for approval to install an air conditioning system must comply with the following requirements.

2.35.1 All HVAC systems require a 4-inch thick concrete pad, when installing a ducted heating and air conditioning unit. Ductless heating and air conditioning units shall have a 4- inch concrete pad. Units may be masked from view and use of screen block or other material shall be

approved by the Board of Directors on a case-by-case basis. A minimum of fifty percent air space should be maintained within the material for air circulation.

2.35.2 Mutual Eight requires all heating and air conditioning units to have attic access from inside the unit; refer to the California Mechanical Code for complete requirements. The condensation line shall terminate at the kitchen or bath sink as applicable to the Mechanical code.

2.35.3 The City of Seal Beach requires an A-weighted sound calculation prior to the issuance of a building permit, and Physical Property requires this to be submitted prior to approval of said permit (Municipal Code 7.15.035). Exterior sound 55db.

2.35.4 On the sale of a Share of Stock, and with a charge against escrow, the following shall apply:

a. Ducted air conditioning/heat pumps: those systems not currently on a concrete base shall be corrected by having a 4-inch thick concrete pad that is big enough for the unit installed.

b. Ductless air conditioning/heat pumps: those systems not currently on a concrete base shall be corrected by having a 4-inch thick concrete pad that is big enough for the unit installed.

c. During the pre-listing inspections, and at the seller's expense, existing heat pumps will be inspected and serviced as needed for proper operations by licensed HVAC contractor.

d. Window or through the wall A.C. units are no longer allowed and must be

removed and window/wall repair at sellers' expense.

e. Condensation drain lines and line sets will be rodent-proofed. If there is not a full line set cover it will be corrected to such. Also, if the condensation drain line is tied into the vent pipe in the attic it shall be re- routed into the proper discharge at the trapped side of the basin or kitchen sink drain. This service shall be completed by a Licensed HVAC contractor at sellers' expense.

f. During the escrow final inspection, 2 weeks prior to the close of Escrow, existing heat pumps will be inspected and serviced as needed for proper operation by a licensed HVAC contractor at seller's expense, and the GRF HVAC Inspection Template will accompany the invoice, and further, a copy will be left at the Unit.

g. Attic access: the attic access cover shall be a combination of plywood laminated to a 5/8-inch type X drywall; the drywall facing the attic side. (22x30 ductless, 24x30 ducted).

h. GRF and the City of Seal Beach permits are required for wall heaters, new installations and change-outs. In all construction work where wall heaters replace the original ceiling heat source, a metal conduit or armored cable shall be used for the last six feet of line running from the breaker box to the wall heater(s).

Section 2.36 – Unsanitary Premises and Fire Loading Conditions.
Chapter 10 of the 1997 Uniform Housing Code, Section 1001.11, defines in part, hazardous or unsanitary premises as the accumulation of weeds, vegetation, junk, offal (decaying meat products), dead organic matter, debris, garbage, rat harborages, stagnant water, combustible materials, similar materials or conditions on the premises of the unit, or storage inside of the oven or on the stovetop or inside a microwave oven, which may constitute fire, health, or safety issues.

For purposes of this Section 2.36, unsanitary or rodent and insect inviting conditions or fire-loading conditions are described as the excessive acquisition and collection of large amounts of objects. Such collections of objects may include, but are not limited to: stacked paper goods, newspapers, books, magazines, mail, trash, stored cardboard boxes, plastic trash bags, food stuffs, cleaning aids, clothing and collectables, pet waste or unclean pet cages, and a lack of ingress and egress at windows and doors.

Qualifying Resident's shall not create an unsanitary or rodent and insect inviting condition or fire-loading conditions, as defined in this Section 2.39 or in Section 1001.11 of the 1997 Uniform Housing Code referenced above. Further, a Qualifying Resident shall not store within their Unit, or on their porch, any large amounts of incendiary items such as grease, oil, gasoline, paint or paint thinner, or any other liquids or substances noted to be flammable, or any large amount of hobby materials. Working on hobbies in Unit or porch will be permitted by the Board on a case-by-case basis, considering the health, safety, welfare, and aesthetics of all residents affected. Storage of construction materials, including but not limited to, stacked wood, siding, metal pieces, welding tools, or any items in support of conducting or practicing a business upon the premises, is also prohibited.

Section 2.37 – Unit Fire Inspections and Special Unit Inspections.
Each Unit will be inspected at the regular annual or bi-annual Mutual fire/safety inspection conducted by the Physical Property Department or any special inspection as ordered by the Mutual Board, with a duly posted 72-hour notification to the Qualifying Resident. Any infractions will be indicated, and the Qualifying Resident will be informed by mail to cure the infraction within thirty-two (32) days of the date of the letter. A follow-up inspection of the premises will be conducted to assure compliance. If compliance is not completed, Shareholder will be fined on a per diem basis until compliance is complete.

Article III – Porches/Golf Cart Pads

Section 3.1 – Porches.
If the Mutual's Bylaws provide for it, a Shareholder may submit an application to construct a porch that is within the original boundary lines of the Unit. The Shareholder's plans and specifications must be in accordance with the Mutual's requirements as set forth in these Rules and Regulations. Pursuant to Section 2.1 of these Rules, all construction work related to the

construction of porches must be done by a contractor licensed and insured in the State of California.

3.1.1 Use and Maintenance. The maintenance, repair and replacement of any components of the porch will be the responsibility of the Shareholder.

3.1.2 Emergency Egress – Windows and Walkways. All porches adjacent to window spaces, both inside and outside, must be kept clear for emergency exit and entrance. A clear path of at least four (4) feet must be maintained from the entrance of the porch to the entry door of the unit. Walkway must have a clean, unobstructed pathway, free of potted plants or other items.

3.1.3 Emergency Egress – Doors. No porch addition may have a door that locks. Only doors with direct entry into the Unit may have locks (i.e., front door or sliding glass door leading directly into the Unit from the porch). A door outside in the porch without direct access into the Unit is not considered an entry door. To clarify, there can be no door locked before arriving to the front door of the Unit. Any lock on a porch door must be removed or the Mutual will remove it at the Shareholder's expense. Any object which contributes to uncleanliness or impeded passage for emergency personnel and equipment, and/or which may lead to unhealthy or dangerous conditions to Shareholders, must be corrected by the Shareholder. If such items are not removed, the Mutual will do so at the Shareholder's expense.

3.1.4 Inspection. Porches will be periodically inspected by a GRF Building Inspector assigned by the GRF Physical Property Department.

3.1.5 Storage – Open Porches. After the initial 30-day move-in period, the following items may not be stored or placed on open porches: (i) Any type of food, including birdseed, dog or cat food except in airtight containers; Do not leave pet dishes with food on the porch; (ii) Cardboard boxes; (iii) Charcoal or highly flammable items, old newspapers, magazines, etc. (unless stored in approved containers). Gasoline-operated equipment or gas cans, flammable chemicals; (iv) Laundry hung for airing or drying; Clothing or other items may not be hung on shareholders' porches; (v) Non-working refrigerators or freezers; (vi) On un-gated porches: Unattended pets or pets in permanent outdoor kennels or caged (including birds); (vii) Spas or hot tubs, indoor upholstered furniture;

3.1.6 Porch Décor. Screens, panels, or drapes to block the sun must be of outdoor fire-retardant fabric and must be maintained. Porch décor must be in good taste, and obscene or offensive objects can be prohibited in the discretion of the Mutual Board. Clip-mounted three-Eighth ($3/8^{th}$) tempered glass panels are allowed up to twelve inches (12") from the header. Removable screen or plastic panels are allowed.

3.1.7 Prohibited Activities. Any workshop causing noise, odor, unsightliness, and/or unhealthy conditions is prohibited within the Mutual. Be guided by the "occasional hobby-oriented" activity rather than an ongoing business or any activity considered to be a nuisance to neighbors. Contact

the Mutual Board by sending a letter to the Secretary for further information and guidance. Converting an open porch into a storeroom is prohibited.

3.1.8 Porch Size. Mutual building permits are required for any alteration to porches. Porches may be reduced in size by: (i) Constructing porch closets, which requires a GRF building permit; (ii) Adding pre-assembled freestanding cabinets/sheds; or (iii) Expanding the interior rooms of the unit outward into the porch space.

3.1.9 Porch Floor. Outdoor carpeting is permitted. Any permanent resurfacing of the porch floor requires a GRF building permit. Flooring installed without a permit may be removed by the Mutual at the Shareholder's expense. Flooring must meet friction coefficient standards.

3.1.10 Enclosed Porches. A permit from the Physical Property Department is required for any construction to a porch. An enclosed porch may not function as a bedroom, kitchen, or storage closet. Any item not appropriate to a porch will be removed by the Shareholder or by the Mutual at the Shareholder's expense.

3.1.11 Enclosed Porches Acceptable Items. Acceptable items on enclosed porches include: (i) Refrigerator or freezer in working condition plugged directly into wall socket only; or (ii) A washer or a dryer or stacking washer and dryer installed inside a porch storage cabinet. A GRF building permit must be obtained for the installation of these appliances, and all codes relating to electrical and, if applicable, plumbing and ventilation must be adhered to.

Section 3.2 – Golf Cart Pads.

Shareholders must obtain approval from the Board of Directors to approve a temporary easement for exclusive use and follow established guidelines for the installation and use of any electric cart or scooter and any necessary pad used for parking and recharging of carts and scooters. Such pads shall not be considered a permanent change to the Unit but shall remain a "non-standard" change. Any parking or charging pad shall be removed upon the resale or transfer of the applicable share of stock at the seller's expense, unless the buyer wants the pad to remain and agrees to such in writing, including an agreement that the buyer will have a golf cart within sixty (60) days. The Shareholder constructing a golf cart pad must contact the Physical Property Department to obtain a permit which must be obtained prior to the start of any construction. Minimum width will be five feet (5') and maximum width of any cart pad will be six feet (6').

Materials allowed: concrete, decorative pavers and decorative stone. Decorative pavers and stone must have a three-inch (3") concrete buffer on each side incorporated into the maximum width of six feet (6') for the cart pad.

By obtaining a permit for the cart pad, the Mutual Board is giving the Shareholder a temporary easement for the exclusive use of a portion of the common area. A cart pad is for parking and charging of electric golf carts. The area cannot be utilized for any use other than charging and parking a golf cart or scooter. If there is no golf cart, the property is to be returned to a grassy area, at the expense of the shareholder. The cart pad may not be used as an outdoor porch. There

will be no plants, furniture or decorations of any kind on the pad. The exception would be if the cart pad is an extension of the garden. If the plants on the cart pad fall within the garden area, they will be acceptable, as long as they do not interfere with any space required for any golf cart or scooter using the pad. Notices of violations will be given for any infraction. After three (3) violations, the temporary variance will be revoked. At the shareholder's expense, the cart pad will be removed and returned to common area.

Before obtaining the permit, the shareholder will sign a recordable agreement agreeing to all the terms and conditions required to obtain said permit.

All costs related to this installation shall be borne by the Shareholder, including any modifications to the existing sprinkler system which work must be performed by the Mutual's contracted landscaper or other Mutual-approved contractor prior to the construction of the pad.

Section 3.3 – Secondhand Smoke/Nuisance Regulation.

The Mutual No. Eight Occupancy Agreement ("Occupancy Agreement") provides that Shareholders shall not interfere with the rights of other residents and that Shareholders shall not commit or permit any nuisance within the Mutual.

The emission of secondhand smoke from devices including, but not limited to cigarettes, cigars, pipes, hookahs or similar items, may create conditions that interfere with the use and enjoyment of other Shareholders and Qualifying Resident's units, thereby constituting a nuisance. Thus, all Shareholders, Qualifying Residents, guests, and invitees must comply with the following, regarding secondhand smoke within the Mutual:

1. No Shareholder and/or Qualifying Resident/occupant/guest within the Mutual shall cause a nuisance to any other occupant due to his/her smoking of any substance.

2. Any nuisance caused by a Shareholder and/or Qualifying Resident/occupant/guest shall be treated by the Mutual as a violation of these Rules and the Occupancy Agreement.

3. In the event that any new Shareholders anticipate that there may be any secondhand smoke within their Units, such Shareholders shall have their Units insulated at the close of escrow, paid for by the new Shareholders.

4. All insulation of Shareholder Units as set forth in this Section 3.3 shall be conducted by GRF and/or a vendor of GRF, who will then invoice the Shareholder for the cost.

5. In no case shall the Mutual pay for the insulation of a Unit, and/or the mitigation of the effects of a Shareholder and/or Qualifying Resident/occupant/guest secondhand smoke.

6. Any damages and/or liability arising from the emission of secondhand smoke in violation of this rule by a Shareholder and/or a Qualifying Resident/occupant/guest, will be borne by the Shareholder and/or Qualifying Resident of the offending Unit.

7. There shall be no smoking of any kind on a porch that is not enclosed and insulated.

8. Upon the complaint of any Shareholder and/or a Qualifying Resident/occupant/guest regarding a potential nuisance due to secondhand smoke, the Mutual and/or GRF will conduct an informal investigation regarding the allegations and facts. Following the investigation, if GRF and/or the Mutual deems the complaint to be valid, the Shareholder who is the subject of the complaint will be provided the opportunity to insulate his/her Unit, at his/her expense. If the Shareholder elects not to insulate the Unit or take any other steps toward resolving the issue, the Board may call the Shareholder to a hearing regarding the complaint, with proper notice. If, after the hearing, a determination is made by the Board that the Shareholder and/or a Qualifying Resident/occupant/guest is causing a nuisance due to secondhand smoke and/or other noxious odors within his/her Unit, the Board can require, in its sole discretion, that the Shareholder shall have his/her Unit insulated at Shareholder's expense. The Board may also impose additional requirements for mitigating the issue, and/or take any disciplinary action for a violation of these rules. All insulation shall take place within 30 days of the agreement to insulate or a determination by the Board.

9. In the event of a violation of these rules, the Mutual reserves the right to pursue any remedy under the law and its Governing Documents, including, but not limited to, imposing a fine after notice and hearing, and engaging in internal dispute resolution pursuant to this regulation among other things.

10. If any Shareholder or Qualifying Resident believes that s/he is entitled to an exception to any of these rules as a reasonable accommodation of a disability, s/he may submit such a request. All requests will be considered on a case-by-case basis.

Section 3.4 – Extended Patio Program

3.4.1. This patio policy establishes comprehensive standards for Seal Beach Mutual 8 in regard to extended patios and porch areas and was developed in an attempt to improve the appearance of our community, enhance property values, and encourage social interaction within the Mutual. Although extensive and detailed, they are not overly restrictive and allow for expression of personal taste and style while maintaining an overall aesthetic consistency.

3.4.2. Definitions of Terms.

(a) A patio is any surface other than garden material that is attached or adjacent to the outside wall perimeter of the unit structure.

(b) A porch is the space under the roof of the structure open to the outside or enclosed from the weather.

(c) A porch and patio can be built as a continuous structure and will be considered and maintained as a patio within the terms of this policy.

(d) Transfer of title shall have the same meaning as used for determination of when a California transfer tax on real property is assessed by the state.

3.4.3 Stipulations for Existing Patios.

(a) All currently installed patios / porches will be considered as allowed until such time as transfer or sale of the share. However, the following use and maintenance requirements must be adhered to at all times and in all cases.

(b) At time of transfer or sale of the share, the seller must bring the existing patio into full compliance with this policy at the seller's cost. The buyer agrees to sign the License and Indemnity Agreement provided by Mutual 8 and will manage, maintain, and insure the patio or it shall be removed at the sellers cost.

3.4.4 Patio Approval Process.

(a) All requests for patios must be submitted to GRF Physical Properties Department at least 3 weeks before the regularly scheduled Mutual 8 Board Meeting. The plan will be reviewed by the inspector and the Mutual Architectural Committee and recommendations will be made to the shareholder. The final plan will then be reviewed for approval at the next Board meeting.

(b) To be considered, detailed plans must be drawn with easily understood dimensions and must include concrete slab and footing details, wall details, gate details and wall finish and cap details, and floor covering. Also, locations of affected trees, sprinklers and utilities must be noted.

(c) GRF and city of Seal Beach permits will be required, and all modifications must meet City of Seal Beach codes and mutual 8 specifications. All work to be performed by GRF approved and vetted contractors.

(d) All patio requests will be considered on a SITE SPECIFIC basis taking the following into consideration.

(i) Aesthetic/financial value to the mutual

(ii) Functionality for the shareholder

(iii) Utility boxes, transformers, enclosures, or panels

(iv) Sprinkler lines, valves, time clocks

(v) Adjacent unit access

(vi) Mutual sidewalks, landscaping

(vii) Laundry Room

(e) A majority vote of a Board quorum is necessary for approval and no work may commence until plans have been approved by all parties and permits are obtained.

(f) As a condition of patio approval, the Shareholder must secure and maintain liability insurance coverage with regard to any patio. Such insurance policy shall contain a policy limit not less than $100,000 in coverage and shall cover any risk or loss.

(g) The Shareholder must complete and submit the AGREEMENT TO PATIO REGULATIONS FORM. as part of the approval process and prior to commencement of work.

3.4.5. Patio Building Requirements and Specifications.

(a) Patios must slope away from the building and in the case of walls, adequate weep holes must be installed.

(b) Patio top surface material must meet the current friction coefficient code. Outdoor carpet is NOT ALLOWED.

(c) Patios may extend up to 96" from the unit perimeter wall line and may not exceed 100 SQ. FT. in usable area including the wall thickness. Size and shape will vary due to asymmetric configuration of available common space.

(d) Patios may be enclosed by a wall to a maximum height of 36". Walls are to be constructed of 6" concrete block surfaced with stucco and or masonry veneer.

(e) An optional method can use open or filled matching screen block. Wall to be painted to match building stucco. Walls to have a complimentary masonry cap.

(f) A 36" free and clear access must be maintained from the entrance of the patio to the entry door with no obstructions including potted plants. All patio window spaces must be kept clear to maintain safety egress from bedrooms.

(g) A non-locking gate made of weather resistant material may be installed as long as 36" clearance is maintained.

(h) Walled patios must have a monolithic steel reinforced 4" concrete slab with 12x12 perimeter footing. Existing aprons or landings must be removed, and new concrete is to be dowelled into old concrete. A 5" mow strip is to be added adjacent to grass areas. (Refer to Figure A: Typical Concrete Patio with Wall.)

(i) Non walled patios may be monolithic slab without footings or pavers/ stone/ brick set in sand and surrounded by a 5" concrete mow strip and built on grade. (Refer to Figure B: Typical Paver Patio)

(j) Hose bib riser must be replaced with type L copper and be protected by a plastic pipe sleeve where it passes through slab. If the hose bib is relocated , all new pipe is to be type L copper

(k) Extended patio cross sections

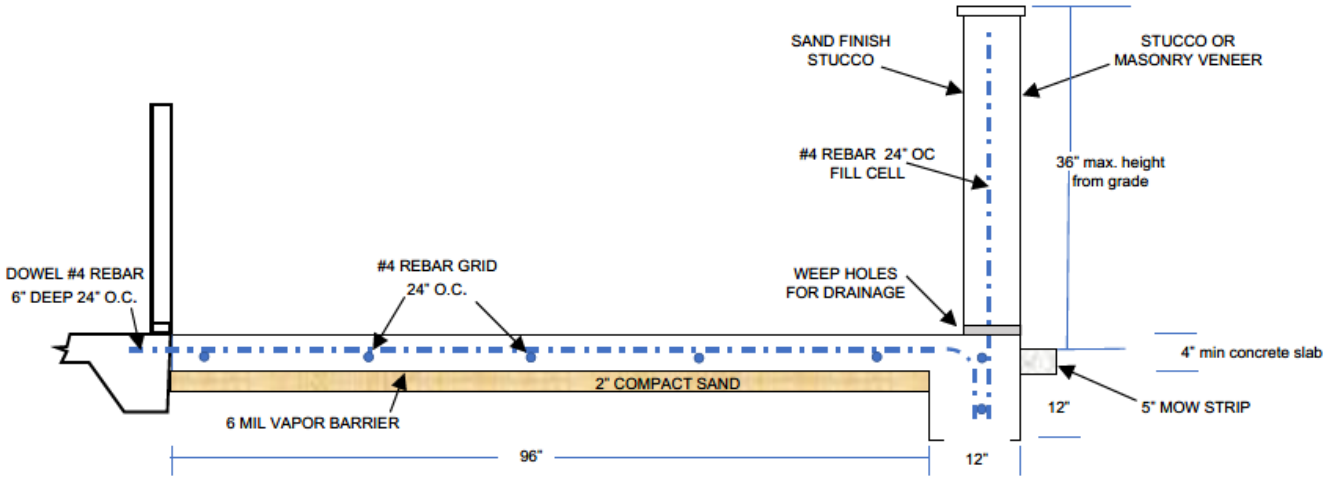


FIGURE A : TYPICAL CONCRETE PATIO WITH WALL

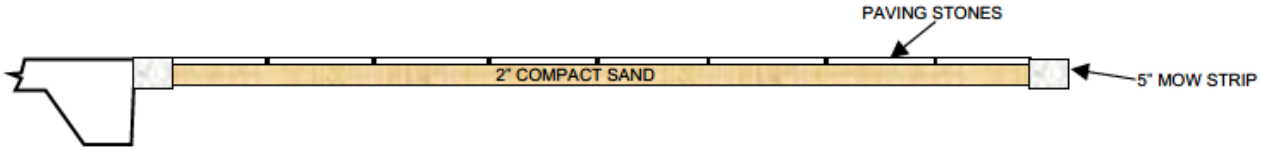


FIGURE B : TYPICAL PAVER PATIO

3.4.6. Pergola Additions

(a) A vinyl or aluminum (**NO wood or composite**) open roof pergola may be installed within the Patio footprint. It must be free standing and not be attached or come in contact with the building in any way. Existing support areas of the patio must meet City of Seal Beach code requirements of cement foundation to support the structure with proper footings and anchors.

(b) At no time may the pergola extend above the roofline of the building.

(c) Pergola must have a no-paint surface and the shareholder will be charged for any extra prep or protection required when the building is painted, or other maintenance/ repairs are required.

(d) No electrical outlets, fans, lighting of any kind including extension cords are allowed to be attached to the pergola.

(e) No permanent screens , shade screen or solid panels on the roof, or hanging blinds, screens or curtains from headers or rafters.

(f) Requires a detailed architectural rendering and plans and must be installed by vetted and licensed contractor.

(g) No retractable awnings such as Sunsetter (et al.) may be installed.

3.4.7 Patio/Porch Use Regulations.

(a) Patio area must be kept clean and uncluttered at all times.

(b) Furniture expressly designed for patio use may be used. No interior furniture allowed.

(c) One properly anchored umbrella that does not encroach on the walkway and is kept closed when not in use.

(d) Potted plants may not extend into the walkway and if on top of the wall cannot be more than 24" high. Cannot be in nursery pot and must have water collecting plate underneath. Pots may be no closer than 24" apart.

(e) Propane barbeque with cover when not in use.

(f) **NO** exercise equipment may be stored on the patio.

(g) One plastic/ resin low storage locker not to extend above the wall.

(h) **NO** item the Board decides is inappropriate for use or storage on the patio at their discretion.

(i) **NO** heaters, firepits, hot tubs

(j) A water feature may be allowed with proper electrical and plumbing support and properly maintained for mosquito abatement.

(k) At no time will the shareholder make use of the patio area in a way that interferes with the peaceful possession of the adjacent shareholders, i.e. late parties, excessive noise, loud music.

(l) **NO** unattended pets, or food and water bowls are to be left on the patio.

3.4.8 Patio Agreement

(a) SHAREHOLDER acknowledges that the Board of Directors may, at their sole discretion, grant exclusive use of common property to the shareholder for the express use of constructing a patio area adjacent to the unit; subject to all terms and stipulations of the current Extended Patio Rules and Regulations as amended from time to time.

(b) The Shareholder shall provide detailed plans and GRF permit application to the GRF physical properties department for review by the GRF inspector and the mutual 8 architectural review committee at least three weeks prior to the next scheduled Mutual 8 Board meeting. The Committee and GRF Inspector will review the plans and make recommendations to the Shareholder and the Board. The Board will discuss and vote on the proposed patio at the next scheduled meeting. The decision of the Board will be final.

(c) Shareholder will provide contractor with a copy of Extended Patio Rules and Regulations (Article 3, Section 3.4) and will be responsible that the proposed patio is in full compliance.

(d) Once the patio completed the Shareholder agrees to comply with all current rules and regulations governing the use and maintenance of the patio as amended from time to time.

(e) Shareholder must agree to provide additional liability insurance specific to the patio area.

(f) Work on the patio may NOT commence prior to Board approval and Permit issuance and if so, all work will be removed, and the area restored at Shareholder's expense.

(g) A City of Seal Beach permit may be required based on the nature and extent of the proposed patio, and if necessary, it must be issued prior to any work commencing.

(h) Shareholder acknowledges that the patio may inadvertently be constructed over electrical conduits, tree roots sprinkler mains, sewer mains, and/or water main lines. If future repairs are required to such they will be performed by the Mutual or appropriate agency, but any damage and repairs inflicted on the patio will be the sole responsibility of the shareholder.

(i) At time of stock transfer, the BUYER must accept responsibility for the patio area including maintenance and insurance by signing the License and Indemnity Agreement. If the BUYER fails to comply the patio will be removed and the area restored to original condition at SELLER'S expense.

_____ _____

Mutual 8 President Date

_____ _____

Shareholder Date

_____ _____

Shareholder Date

Article IV – Landscape Maintenance Manual

Section 4.1 – Purpose of Landscape Maintenance Manual.

This Article IV is included to enhance the enjoyment of the Mutual living style by setting and enforcing standards for Mutual landscaping. This Article IV outlines the shared responsibilities of the Mutual and its Shareholders. The Landscape Committee is entrusted with the management of landscaping including the responsibility for inspections and enforcement of this Article IV. If all Shareholders follow the policy as outlined below, the landscape areas will display what most Shareholders would consider an appealing appearance of the Mutual, a benefit for all as an attractive place to live and an enhancement of property values in the event of resale.

Section 4.2 – Resident Garden Areas.

The area extending 48 inches from the exterior wall of the Unit is set aside for the Shareholder's garden. The sides of the corner Units shall have a 48-inch limit. At the time of sale or transfer of stock, the Mutual Board will review the area and decide whether those areas which have been extended beyond these limits will be returned to the 48 inches or left as extended. Free-standing objects are permitted in the garden area only.

Section 4.3 – Trees within Garden Areas.

Trees may not be planted in garden areas, except in tubs, and they must be kept eighteen (18) inches below the eaves. Plants must be cut back so as not to extend over the garden line, in all cases. Removal of any offending growth will be done by the Mutual at the Shareholder's expense. Trees currently planted in garden areas are to be removed at the point of sale of Unit, paid for by the seller. Trees may not be cut down until a certified arborist provides a report to the Landscape Chair and Mutual Board, for approval, on those showing signs of stress, disease, or invasive roots, or which could possibly cause property damage. Older, larger trees should be checked on-site by an arborist yearly. When called for, second opinions must be obtained from an outside, independent California certified arborist. All arborist's reports advising the Mutual Board that the tree is diseased, or the roots are invasive to buildings and cannot be cut back without killing the tree must be in writing. Trees may not be cut down until a certified arborist provides a report to the Landscape Chair and Mutual Board and the removal is approved in writing by the Mutual.

Section 4.4 – Plants within Garden Areas.

Shareholders may plant greenery of their choice from the list of Mutual-approved plants within the Shareholder garden area. Plants with invasive root growth that could potentially damage the Mutual structures and walkways are prohibited. Vines are not permitted to climb on any structures. If a trellis is used, it must be free-standing and be kept eighteen (18) inches below the eaves and twelve (12) inches from the building. All plants must be trimmed back twelve (12) inches from building walls. Shrubs shall not block windows, electric meters, or neighbors' views.

Section 4.5 – Pest Control and Fertilization within Garden Areas.
Fertilization and plant pest control within the garden area are the responsibility of the Shareholder. Watering the garden area is also the responsibility of the Shareholder. At the Shareholder's expense, sprinklers may be added within the garden area. Maintenance of sprinklers will be at the Shareholder's expense. All fertilization and plant pest control within the flower bed are the responsibility of Shareholders at their expense. Pesticide application requires careful attention to prevent endangerment to other shareholders and their pets, as well as to beneficial insects.

Section 4.6 – Potted Plants.
Potted plants are not permitted on entrance walkways; nor can they inhibit the 36-inch entry requirement. Further, potted plants are not permitted on top of, or hung from Padmount transformers, nor on telephone vaults or walk lights. Cement pavers must be under all pots containing trees or large plants.

Section 4.7 – Maintenance of Garden Areas.
After cleaning garden areas or raking leaves, Shareholders should place the leaves or debris in the proper trash bins. At the time of escrow or transfer of stock to a new Shareholder, the Mutual Inspector and the Mutual Board will signify any plants, shrubs or trees that need to be removed. The cost of such removal will be the expense of the seller or transferee of ownership. Planting will be in accordance with the current Mutual Rules and Regulations. If the new Shareholder wishes to do the planting, it will be at his/her expense. Shareholders may design a garden area with slight curves within 36 to 48 inches to enhance their garden areas. First, Shareholders must submit a plan and drawing of the proposed garden area to the Mutual Board prior to work being performed. If approved, the plan and drawing will go into a file for that Unit and be grandfathered in, so that the garden area does not have to be returned to its original configuration if the Shareholder sells his or her share of stock. Shareholders are expected to maintain their flower bed areas to enhance the Mutual and be aesthetically appealing to the appearance of the Mutual. If a Shareholder does not adhere to the requirements of this Article III of the Rules, the Mutual will advise the Shareholder, in writing, of the problem to be corrected and may take disciplinary action.

Section 4.8 – Flower Bed in Garden Area.
Every Shareholder is allowed the privilege of a flower bed area in front of his/her Unit. Existing flower beds cannot exceed 48". Variances from 48" require approval by the Board of Directors (i.e. retaining wall areas). Flower beds are cultivated and trimmed by contracted landscapers every six (6) weeks. Shareholders who desire to do the work themselves may alert the landscapers by placing red flags within the flower bed. Flags are available from gardeners. Landscapers are instructed to remove from all flower bed areas, wild mint, ivies, and plants of the spiderwort family. These plants can spread onto the lawns or invading neighboring gardens.

Section 4.9 – Prohibited Uses of Garden Area.
Front and side gardens may not be used as storage areas. Items such as garden soil, empty pots, garden tools, potting tables, cabinets, scaffolding, shelving, bikes, kayaks and/or surf boards are prohibited in front and side gardens and may not block Unit windows. However, a box with earthquake material is allowed. Outdoor rated porch chairs may be placed in garden area with Board of Director's approval.

Section 4.10 – Plants may not Touch any Structure.
In no instance are plants of any sort permitted to become entwined, lay upon, or in any manner touch a roof, an exposed beam, or any portion of a structure, including gutters, as these conditions invite termites, rats and mice. Any plant materials in the flowerbed whose roots are damaging the building structure, walkways, lawn area, or retaining wall must be removed at the expense of the Shareholder and the damages repaired at the Shareholder's expense. Plants not already trimmed to acceptable standards of one foot (12 inches) from the building and decorative blocks, eighteen (18) inches from the eaves, will be cut back at Shareholder's expense.

Section 4.11 – Entrance Walkways.
Entrance walkways, from the sidewalk to the structure/porch, must be kept free always of potted plants and all other impediments, including electric carts. Nothing that will in any way impede the full use of the 36" wide walkway and entry from the sidewalk to the entrance onto the porch is permitted to remain on the walkway. Plant materials must not extend outside the flower bed limits over scallop borders, walkways, turf areas, or into neighboring flower beds.

Section 4.12 – Overgrown Flower Bed.
If a flower bed is deemed to be an eyesore by the Landscape Committee and provides hiding places for spiders and rodents, then the Shareholder will be asked, in writing, to clean it out. If the Shareholder does not clean out the "overgrown" flower bed and/or overabundance of potted plants, then the Mutual will do it. The Shareholder will not be reimbursed for any plants, pottery, containers or non-authorized "items" in the flower bed.

Section 4.13 – Approved Plants.
The list of approved plants attached to these Rules as Exhibit "B". If a Shareholder has a question about a plant that does not appear on the approved list, the Shareholder needs to contact the Landscape/Garden Director for clarification and to obtain written approval from the Director prior to planting. If planted without prior written approval, the Mutual will remove, at its discretion, the offending plant(s) at the Shareholder's expense. All vegetables and fruit may be grown in pots within the Shareholder's designated porch ONLY. Pots may not be placed on walkways, sidewalks, or anywhere that will impede emergency access. Pots containing vegetables and trees may be placed on Shareholder's porch. If placed in the flowerbed, pot must be on a paver large enough to prevent roots from going into the ground. No fruits or vegetables shall be planted or placed within the flowerbed area. The common name of the Approved Plants will be listed first and the botanical or Latin names will follow in parentheses, as set forth in Exhibit "B".

Section 4.14 – Approved Drought Tolerant Plants and Succulents; Non-Approved Plants.
The flowers, plants or trees listed on Exhibit "C" hereto may not be planted in garden areas effective as of the date of adoption of these Rules. However, they may be planted in pots and placed on the porch or in the garden on pavers. Additional prohibited flowers or plants may, in the future, be added to this list by the Board of Directors. Any tree or plant will be removed if deemed by the gardener or GRF Building Inspector to have roots that will cause damage to the sewers or infrastructure. The common name of the Non-Approved Plants will be listed first, and the botanical or Latin names will follow in parentheses as set forth in Exhibit "C".

Section 4.15 – Fruits and Vegetables.
Land in the 1.8-acre Mini Farms is set aside in Leisure World for vegetable planting. Call Community Facilities (ext. 398) for information and to be put on a waiting list.

Section 4.16 – Donating Trees.
The Garden Committee wants Shareholders to know that donations of trees to enhance our Mutual's appearance are greatly appreciated. Trees are one thing that all Shareholder's enjoy and want to maintain. They provide shade and improve and enrich our living spaces in the Mutual. The Garden Committee welcomes all tree donations. If you would like to donate a tree, the procedure is very simple: Present a proposal to the Garden Committee of what type of tree you want to donate, it's size and where you would like it planted. If your request meets the criteria set forth by the Garden Committee, the proposal will be presented to the Mutual Board, and a vote will be taken at the monthly Board Meeting. Once approved by the Mutual Board, the tree can be ordered then planted by the Mutual.

Section 4.17 – Planting Tree Wells.
All Shareholders are prohibited from planting or placing any items or vegetation within the tree wells on their greenbelts.

Section 4.18 – Turf Areas.
Turf areas are described as the ground areas located outside the Unit's flowerbed area. The Mutual is responsible for the maintenance of this area. Shareholders are not permitted to install, maintain, remove, or relocate plants or any other landscaping materials, in the turf areas, around trees, irrigation corners on green belts, or around light poles. Any plants or other landscaping material that is placed in a turf area by a Shareholder may be removed at Shareholder's expense. The Mutual Board has the authority to authorize such removal. Shareholders are not permitted to install, relocate, or adjust turf area sprinklers. Shareholders are not permitted to hand-water turf areas except for areas inadequately irrigated by the sprinkler systems. The Mutual will not plant or replace trees in the Mutual turf areas unless there is an eight (8) foot clearance from the entrance walkway and an eight (8) foot clearance from the sidewalk, or an eight (8) foot radius. Temporary use of turf areas by Qualifying Residents requires prior written approval by a Director on the Mutual Board (examples could be a picnic, party, moving, construction material storage, holiday decorations, etc.).

Section 4.19 – Laundry Room Planters.
Laundry room planters are a part of the Mutual's landscape/lawn property – they are not for Shareholder's use. If a Shareholder infringes upon this area, the Mutual will ask the Shareholder to remove such infringements. If the Shareholder does not remove them, the Mutual will have the infringements removed with no compensation to the Shareholder.

Section 4.20 – Lamp Posts.
Lamp posts may not be decorated or have anything attached to them, unless Board of Directors has issued prior approval.

Section 4.21 – Padmount Transformers.
Transformers are mounted on cement pads in various areas of the Mutual to provide electrical powers to the Mutual. Such transformers are the property of, and under the control of, the Southern California Edison Company. The Southern California Edison Company has served notice that the immediate area around the transformers must be kept clear of any material that could interfere with the safe entry by workmen. The Mutual, all Qualifying Residents and Shareholders must comply with any laws and directives of the Southern California Edison Company by keeping the area in front of the transformer door clear to a distance of eight feet (8'), keeping any shrubbery growing near the transformer sides trimmed to prevent any growth from hanging down inside any fence around the transformer, removing any potted plants that might be placed on top of any such fence, and completely removing any growth that would interfere with the safe access to the transformer door. The Mutual's landscaping company is instructed and authorized to prune and trim from time to time as necessary to comply with State safety laws and Southern California Edison Company directives. The Mutual has instructed the Physical Property Department to work with the Southern California Edison Company to ascertain that repairs are made to upgrade the appearance of the property.

Article V – Traffic, Vehicle Operation and Parking

Section 5.1 – Applicability.
The following Traffic, Vehicle Operation and Parking Rules are strictly enforced and are applicable to all persons controlling or operating vehicles on any property owned and/or regulated by the Mutual. This also refers to the streets, sidewalks, parking areas, clubhouses, grounds, and other amenities overseen by GRF. Per the Occupancy Agreement, all Qualifying Residents are solely responsible for the actions of their guests and invitees; therefore, they are solely responsible for any fines and penalties incurred by their guests and invitees. GRF vehicles, such as maintenance vehicles, or security vehicles assisting first responders or providing emergency services to a Shareholders Unit, are exempt from these rules when appropriate.

Section 5.2 – Enforcement of California Vehicle Code.
In order to promote safety, all drivers and pedestrians shall follow the California Vehicle Code, except as specified otherwise herein.

Section 5.3 – Definitions Applicable to this Article.

(a) Alternative Dispute Resolution (ADR): A method of resolving disputes other than by litigation involving a neutral third party pursuant to Civil Code Sections 5925-5965.

(b) Assigned Parking: A defined parking location that has been designated by GRF and the Mutual for the use, for up to 72 hours, by a specific individual or group.

(c) Bicycle/Tricycle: A device with 2 or 3 wheels, respectively, upon which any person can ride propelled exclusively by human power through a belt, chain or gears.

(d) Caregiver: A non-shareholder hired or identified by a Shareholder as providing part-time or full-time care. This person must be registered with Stock Transfer.

(e) Commercial Vehicles: A motor vehicle of a type required to be registered and used or maintained for the transportation of persons for hire, compensation, or profit or designed, used, or maintained primarily for the transportation of property. A Commercial Vehicle shall also mean any type of vehicle, which includes without limitation, a truck, van or trailer that has one or more of the following traits: (i) Larger than one (1) ton carry weight; (ii) Bares a prominent business name or advertisement. If the graphic medium is removable, such as a magnetically attached sign, this element does not apply when all such signage is removed and stored out of view; (iii) Normally employed or designed for commercial business use, whether or not a business name or advertisement is displayed; (iv) Racks, materials, ladders, tool boxes and/or tools are visible on the exterior of the vehicle; (v) Used to haul any hazardous materials; and/or (vi) Designed to carry more than 15 (fifteen) passengers.

(f) Due Process: An established course for judicial proceedings or other governmental activities designed to safeguard the legal rights of the individual.

(g) Electric Bicycle: Two-wheeled vehicle supplemented with an electric motor. It may not be driven on sidewalks.

(h) Golf Cart: A motor vehicle having not less than three wheels in contact with the ground, having an unloaded weight of less than 1,300 pounds, which is designated to be and is operated at no more than 20 mph, and has a maximum width of 48".

(i) Internal Dispute Resolution (IDR): An internal due process procedure offering an opportunity for both sides to meet and confer in good faith in an effort to resolve a dispute and reach a resolution of alleged violations of community rules.

(j) Low-Speed Vehicle (LSV): A motor vehicle which is designed to travel in excess of 20 MPH with a maximum speed of 25 MPH. LSV's less than 48" in width shall be driven in accordance with the rules and regulations established for Golf Carts. LSV's that are more than 48" in width are prohibited from all walkways and sidewalks.

(k) Mobility Scooter: A vehicle that is propelled by an electric motor with a battery pack on the vehicle. This vehicle is self-propelled.

(l) Motorcycle: A motorcycle has more than a 150cc engine size, and no more than three wheels and has to be registered with the Department of Motor Vehicles (DMV).

(m) Motor-Driven Cycle: A motor-driven cycle has 149cc or less engine size (CVC Section 405) and has to be registered.

(n) Non-Resident: A person without the right under the governing documents and applicable law to occupy a dwelling within a Mutual.
(o) Parking Permit Binder: A register maintained by the Security Department to document vehicles granted a limited exception to certain parking rules. (Examples of exceptions noted in Parking Permit Binder: Extended Qualifying Resident's absence, overnight RV parking, late night calls for overnight guests without a parking permit.)
(p) Parking Rules Violation (PRV) Panel: The Mutual Board has established a committee consisting of a facilitator, three (3) Mutual directors and an alternate as may be designated from time to time by the Board and assigned to meet on a rotating schedule to hear Shareholder disputes regarding Parking Rules Violation notices issued by Security Department.
(q) Pedestrian: Any person who is afoot or who is using a means of conveyance propelled by human power other than a bicycle. This also includes any person operating a self-propelled wheelchair, motorized scooter, tricycle or quadricycle.
(r) Prohibited Vehicles:
    a. Aircraft;
    b. Boats, personal watercraft, and their trailers, except as specifically allowed by these Rules in limited circumstances;
    c. Inoperable Vehicle: A vehicle that lacks a functioning engine or transmission, or non-functioning wheels, tires, doors, windshield, or any other major part or equipment necessary to operate safely on the highways;
    d. Off-road vehicle (not street licensed) other than a Golf Cart or Golf Car;
    e. Unregistered Vehicle: no current valid State registration;
    f. Vehicle designed to carry 12 (twelve) or more passengers, except any buses or limousines to load or offload passengers with approval from the Security Department or Recreation Departments.
(s) Recreational Vehicle (RV): A motor vehicle or trailer for recreational dwelling purposes; a motor home or other vehicle with a motor home body style which has its own motor power or is towed by another vehicle. Recreational Vehicle shall not include van camper conversions, which are permitted within the Mutual.
(t) Reserved Parking: A parking location that is marked as such by a sign, or curb or pavement marking and is set-aside for use only by the designated user(s).
(u) Rules Violation Notice (Citation): A written notification of a violation of GRF parking policies placed on the violating vehicle. Citation information is forwarded to the Mutual President.
(v) Trust Property: All land operated by GRF on behalf of the Mutuals.
(w) Trust Streets: Streets with names.
(x) Unassigned Parking: Not an Assigned Parking space.
(y) Unauthorized Vehicle: A vehicle not permitted to be on Mutual or Trust Property.
(z) Vehicle Used for Recreation (VUFR): Boats, boat trailers, all-terrain vehicles (ATVs), trailers used to transport ATVs.

Section 5.4 – Prohibited Vehicles.
No Prohibited Vehicle shall be parked on Mutual or Trust Property. At no time, shall any vehicle be parked on Mutual Property if it is leaking any fluids other than clear water. Any Prohibited Vehicle parked within the Mutual is subject to immediate towing at the owner's expense.

Section 5.5 – Parking Permits.
Security shall not issue a Leisure World parking permit to any Qualifying Resident of Seal Beach Leisure World unless and until said Qualifying Resident shall have furnished the Security Office with the following: (1) California State car license number (or other State, if not in conflict with California requirements); (2) A valid State Operator's license number (California or other state) with the expiration date for each driver of the vehicle; and (3) Satisfactory proof of liability insurance coverage in the minimum limit pertaining to the operation of motor vehicles upon the roads of the state of California.

5.5.1 Temporary Parking Permits. All parking permits must be visibly displayed on the dashboard of a vehicle or on the king pin of a fifth wheel or the tongue of a trailer. The following parking permits are issued by Security Department: (i) Shareholders for use on rental or new vehicle; (ii) Guest of Shareholders; (iii) Overnight parking permit at request of Shareholder for guest.

Section 5.6 – General Parking Rules.
5.6.1 All Shareholders, Qualifying Residents, guests and invitees shall park safely. At no time may a vehicle be parked in a manner creating a traffic hazard.

5.6.2 No animal or child is allowed to be left alone in any parked vehicle on Mutual Property. Animal Control or Seal Beach Police will be called immediately in either circumstance.

5.6.3 Fire Hydrant – At no time may a vehicle be parked within 15 feet of a fire hydrant. Vehicles in violation are subject to immediate tow-away at owner's expense.

5.6.4 Sidewalk – No vehicle may be parked with any portion of it on a sidewalk.

5.6.5 Off Pavement – At no time may a vehicle be parked with any portion of it off pavement.

5.6.6 Curb or Parking Stall – Vehicles may park in a designated parking stall or along a curb or sidewalk, unless otherwise provided herein.

5.6.7 Vehicles on a two-way travel roadway must be parked with the passenger side wheels within 18 (eighteen) inches of the curb or sidewalk.

5.6.8 Vehicle must be parked completely within the marked boundaries of a parking space.

5.6.9 A vehicle may be parked in a location that is not a marked stall; however, at no time may it be parked in a manner that creates a traffic hazard, interferes with other vehicle access, Pedestrian traffic, or access to facilities or equipment.

5.6.10 Any vehicle without proof of current valid State registration may not be parked on Mutual Property at any time.

5.6.11 Any vehicles without a GRF decal on windshield or pass displayed on the dash may not be parked on Mutual Property.

5.6.12 Trailers not connected to a vehicle are not permitted to be parked on Mutual Property. Such trailers may be parked in the Permit section at Clubhouse 4 (four) only with a permit issued by the Security Department.

5.6.13 Pods, moving trailers or similar portable storage units are not permitted on Mutual Property without Security Department authorization and approval of the Board of Directors of the Mutual.

5.6.14 Vehicles in violation are subject to immediate tow away at the vehicle owner's expense.

5.6.15 Only one GRF decal will be issued per Qualifying Resident.

Section 5.7 – Parking Zones.

5.7.1 Red Zones – Vehicles parked in red zones are subject to immediate tow away at owner's expense.

5.7.2 Fire Hydrant or Fire Lane: No person shall park or leave standing any vehicle within 15 (fifteen) feet of a fire hydrant even if the curb is unpainted.

5.7.3 Non-Fire Lanes: A vehicle may not be left unattended.

5.7.4 Bus Stops: No person shall park or leave standing any vehicle within 30 (thirty) feet of a bus stop on bus stop side of the street to provide for loading and unloading of buses.

5.7.5 Drive-up Mailboxes: No person shall park or leave unattended any vehicle within 15 (fifteen) feet of the mailbox.

5.7.6 Blue Zone (Handicapped): Vehicles must display a valid, government-issued disabled (handicapped) license plate or placard.

5.7.7 White Zone: Passenger loading and unloading only. Vehicles may not be parked in white zones in excess of 30 (thirty) minutes.

5.7.8 Yellow Zone: Commercial vehicle loading and unloading only. Vehicles may not be parked in yellow zones in excess of 30 (thirty) minutes.

5.7.9 Unpainted: Parking is permitted up to 72 (seventy-two) hours, unless otherwise restricted.

Section 5.8 – Qualifying Resident Parking.
A Qualifying Resident's vehicle (except an RV or VUFR) may be parked for no more than 72 (seventy-two) hours in one location without first notifying the Security Department.

Section 5.9 – Non-Qualifying Resident Parking.
Non-Qualifying Resident vehicles are not eligible for extended parking privileges without a permit issued by the Security Department. Any violation of this section may result in vehicle being towed at the owner's expense.

Section 5.10 – Caregiver Parking.
A Caregiver may park on Mutual or Trust Property only when a Caregiver parking pass is displayed on the dashboard of the vehicle. To obtain Caregiver parking rights, the person must be registered with the GRF Stock Transfer office.

Section 5.11 – Contractor and Service Vehicle Parking.
Contractors' vehicles must comply with all rules set forth herein and must not obstruct or park on the sidewalk. Contractor and service vehicles, including personal vehicles driven by workers, shall not be parked on Mutual Property (Trust Streets included) overnight without a permit.

Section 5.12 – Overnight Parking Permits.

5.12.1 Non-Resident overnight parking is prohibited without a Security Department-issued vehicle decal or Overnight Parking Permit.

5.12.2 Overnight parking by Commercial Vehicles, equipment, and materials utilized in authorized activities conducted for the Mutual or its Qualifying Residents is not permitted without an Overnight Parking Permit issued by the Security Department. This restriction shall not apply to Commercial Vehicles parked in assigned rental spaces in Allen's Alley by Clubhouse 2 (Two).

5.12.3 The Overnight Parking Permit must be displayed face-up on the driver side dashboard of the motor vehicle, or prominently affixed to the front of trailers or equipment.

5.12.4 The following vehicles and equipment are prohibited from parking on Trust or Mutual Streets at any time between the hours of 12:00 a.m. and 7:00 a.m., unless otherwise addressed in these Rules: (i) Vehicles not displaying a valid GRF decal or Overnight Parking Permit; (ii) Recreational Vehicles – except as provided below in Section 5.13, "Recreational Vehicles Restrictions"; and (iii) Commercial Vehicles, construction/maintenance equipment, storage and disposal units, building materials.

Section 5.13 – Recreational Vehicles (RV) or Vehicle Used for Recreation (VUFR) Restrictions.
An RV or VUFR may be parked on Mutual Property only when meeting all of the following conditions:

5.13.1 RV parked at any Mutual Property facility MUST have Security Department-issued decal or a parking permit.

5.13.2 RV or VUFR is parked up to 48 (forty-eight) hours for the purpose of loading or unloading.

5.13.3 Other activities, such as sleeping or resting in the RV or VUFR, and vehicle maintenance are not allowed.

5.13.4 RV or VUFR must be parked with engine and accessory equipment (e.g. exterior lights, air conditioner, audio and video equipment) shut off. The generator may ONLY be used between the hours of 8:00 a.m. and 8:00 p.m. while loading or unloading the vehicle.

5.13.5 Extensions such as slide-outs, tilt-outs, and awnings must be closed. Steps must not block the sidewalk.

5.13.6 RV or VUFR may not be attached to any external power supply.

5.13.7. Leveling jacks, if used, must include a base plate sufficient to prevent damage to pavement.

5.13.8 No animals or children are to be left unattended on or within any RV or VUFR at any time.

Section 5.14 – "For Sale" Signs.
"For Sale" signage shall not be displayed on any vehicle on Mutual Property.

Section 5.15 – Repairs.
Vehicles may not be rebuilt or rehabilitated, major service may not be performed, and fluids may not be changed on any Mutual Property, including Shareholder's porch area (i.e. motorcycles).

Section 5.16 – Washing.
All washing of vehicles must be done at the car and RV washing areas behind Clubhouse 2 (Two). Vehicles must have a GRF decal. Non-Residents shall not be permitted to wash their vehicle anywhere on Mutual Property.

Section 5.17 – Trust Property Parking Areas.

5.17.1 Clubhouse One. Parking next to the Wood Shop is prohibited between 11:00 p.m. and 7:00 a.m. Parking is prohibited between 11:00 p.m. and 7:00 a.m. in the spaces on the west side of the clubhouse (Burning Tree). Parking is permitted up to 72 (seventy-two) hours in the lot across from the clubhouse next to the golf course.

5.17.2 Clubhouse Two. Parking next to the Wood Shop and car wash is prohibited between 11:00 p.m. and 7:00 a.m. Parking is prohibited between 11:00 p.m. and 7:00 a.m. in the spaces on the east side of the clubhouse (El Dorado). Parking is permitted up to 72 (seventy-two) hours in the lot between the clubhouse and the RV lot.

5.17.3 Clubhouse Three & Four. The three (3) approved locations within the Clubhouse 4 (four) parking lot are for temporary RV and VUFR use, subject to the terms and conditions noted in this Section 4.17.3. Available permit parking is limited. Spaces are allotted on a "first come first served" basis. There is an exception for Radio Club Yellow Emergency Van Innovative Cleaning Service Vehicles.

5.17.3.1 Identification. All RVs and VUFRs must be registered with the Security Department and display a parking permit in order to park in the noted locations. If the RV or VUFR does not have a windshield, the identification must be placed on the king pin of a fifth wheel or the tongue of a trailer.

5.17.3.2 RVs and VUFRs. Shareholders, Qualifying Residents and guests may park a RV or VUFR temporarily in the noted locations for the purpose of loading and unloading and preparing the vehicle for travel or storage, subject to these Rules and Regulations and the Rules and Regulations of GRF. Shareholders, Qualifying Residents and Guests must notify Security Department immediately when entering the community with their RV or VUFR. This notification is required in order to park temporarily for a term as follows: Shareholders may temporarily park one (1) RV (and boat or trailer) or VUFR at a time in the approved location within the Clubhouse Four (4) parking lot for a maximum of twenty-one (21) days at no charge.

A second term will be allowed within twelve calendar months, provided that the RV or VUFR has been out of the community for no less than one hundred eighty (180) days. Guests may park one (1) RV (and boat or trailer) or VUFR at a time temporarily in the approved location within the Clubhouse Four (4) parking lot for a maximum of fourteen (14) days at no charge. An additional seven (7) days are available with a fee. See section below. A second term will be allowed within twelve calendar months provided that the RV or VUFR has been out of the community for no less than one hundred eighty (180) days. In the event of an unexpected medical and or mechanical emergency, the Security Chief, Deputy Security Chief, or Executive Director may grant a limited extension not to exceed seventy-two (72) hours. In the absence of the Security Chief or Executive Director, the Watch Commander or Deputy Chief may grant extensions until return of the Security Chief or Executive Director. The Security Chief must make a monthly report of all permitted vehicles to the Security Bus and Traffic Committee (SBT).

Failure to comply may result in towing of the vehicle at the owner's expense.

5.17.3.3 Use of an RV or VUFR. Shareholders, Qualifying Residents and guests may live in an RV or VUFR parked in the community for a maximum of seven (7) days. This includes sleeping, cooking or any other activities not associated with preparation of the vehicle for travel or storage. No animal or child shall be left alone in a vehicle at any time.

5.17.3.4 Parking Fees for an RV or VUFR. Shareholders and Qualifying Residents who park one (1) RV or VUFR within the Mutual for twenty-one (21) days or less will not have to pay a fee. Any guest of a Shareholder or Qualifying Resident who park one (1) RV or VUFR within the Mutual for fourteen (14) days or less will not have to pay a fee. Any Guest of a Shareholder or Qualifying Resident who parks one (1) RV or VUFR within the Mutual for more than fourteen (14) days, must pay a rate of twenty dollars ($20.00) per day for the following seven (7) days. No Guest of a Shareholder or Qualifying Resident may park an RV or VUFR within the Mutual for a period longer than twenty-one (21) days. Payment is to be remitted to the Security Department at the time the Parking Permit is issued. Payment is only accepted in the form of a check. All other types of payments will be made at the Finance Department.

5.17.4 Building Five, Clubhouse Six, Healthcare Center, Administration and Alley. No overnight parking is permitted, except that Security Vehicles, CARE ambulances, Pharmacy delivery vehicles, and Two (2) Healthcare Vehicles, 24 Hour Nurse, HCC Golf Cart, GRF Vehicles, and Innovative cleaning service vehicles may park overnight.

Section 5.18 – Amphitheater.

No Shareholder may park in any space marked for "Staff" or HCC between the hours of 7:00 a.m. to 6:00 p.m., Monday through Friday. The parking space designated for the HCC 24-Hour Nurse may never be used by anyone else except that employee and the HCC Golf Cart.

Section 5.19 – Bicycles/Tricycles.

Bicycles or Tricycles may not be parked in any manner as to interfere with foot or vehicle traffic. Bicycles must be parked utilizing parking racks where provided. The Mutual is not liable for damaged, lost or stolen property. Attended Bicycles or Tricycles may be parked off pavement, but only in such a manner as not to damage landscaping. Parking on a sidewalk is prohibited. Except for employees working in Leisure World, visitors residing outside Leisure World may ride bicycles or tricycles on Mutual sidewalks or streets only if accompanied by a Qualifying Resident.

Section 5.20 – Carport Use.

When a Shareholder moves in, they are assigned one carport space. If shareholders have more than one car or have a golf cart or scooter, they may rent or use another shareholder's carport space if both agree and they have signed the Carport Usage/Rental Agreement. The executed agreement must be recorded at the Stock Transfer Office to be valid. Unauthorized use of any empty carport space may result in the vehicle/golf cart/scooter being towed at the expense of the owner of the vehicle.

Carports are to be used for parking of self-propelled land vehicles in operating condition. All passenger vehicles that can be operated on city streets MUST have a current DMV registration, license plate tags, and sufficient insurance as mandated by the State of California Vehicle Code (CVC) Section 22658. All vehicles, parked in the carport must have a Seal Beach Leisure World (SBLW) decal issued by the Security Department affixed and displayed on the lower left windshield; however, the Mutual Board may waive the requirement to display and affix the SBLW decal ONLY in unique and rare circumstances (contact the Mutual Board for consideration). Any vehicle that is not compliant with these rules may be towed at the owner's expense and as specified in CVC Section 22658. Any stored items in the carports must be completely contained in the carport cabinets. Current fire regulations prohibit the storage of fuel or any combustible material in the carport areas. When parked in the carports, all vehicles must be headed inwards. Mechanical repairs on vehicles are not permitted except for minor maintenance such as jumping of a battery, checking or adding oil or water, or changing wiper blades. Changing of oil is not permitted. No person shall park any vehicle in any carport not assigned to them without permission from the affected shareholder. Any vehicle leaking oil, anti-freeze, or any other hazardous material is prohibited from parking in a Mutual carport or on a Mutual street or driveway. It is the shareholder's responsibility to clean up any hazardous material spill or the

Mutual will have them cleaned up. In such case, the shareholder will be billed for the cost. ALL hazardous waste materials, including kitty litter, must be disposed of at any Orange County Approved Hazardous Waste Site. The carport floor space may NOT be used as a storage area, whether free-standing or in any type of container. Boats or trailers of any size or kind may not be parked in the carport. Any damage to the carport is the responsibility of the assigned shareholder, not any renter of a carport. Car covers may be attached to the carport and must be removed at the time of painting. Only a Bicycle, Tricycle, folding shopping cart, ladder may be stored under the cabinet in the Shareholder's assigned or rented space. In order to accommodate routine cleaning and property servicing, Shareholders may not store an inoperable vehicle in a carport space.

Section 5.21 – Carport Assignments.

Carport assignments are controlled by the Mutual and a record of such assignments is kept in the Stock Transfer Office of GRF. Shareholders desiring to change carport assignments must negotiate the new arrangement on their own and obtain approval from the other Shareholder and record the exchange in the Stock Transfer Office. The request for carport re-assignment, if approved, is only temporary, and is valid only so long as both participating parties agree to the temporary change. One party determining to withdraw from the agreement may do so as may the successor owner of that party's Unit. The Mutual Corporation retains, at all times, the authority to revoke and cancel this temporary change of carport assignment, at its discretion. The reassignment of carport spaces, herein provided, will automatically become null and void in the event of a sale of the stock representing either Unit, with absolutely no exceptions to the rules herein provided. Carport space may not be rented to or used by anyone who is not a Qualifying Resident of the Mutual.

Section 5.22 – Carport Regulations.

Carports are to be used for parking of self-propelled land vehicles in operating condition. Any stored items in the carports must be completely contained in the carport cabinets except as permitted in this Section 5.22. The storage of fuel oil or any combustible material in the carport areas is prohibited. All vehicles, when parked in the carports, must be parked head in. When parked, vehicles shall not extend beyond the edge of the roof drip line of the carport. Property, including secondary storage facilities, shall not interfere with the Shareholder's vehicle fitting under the edge of the carport roof drip line. The Board may require that a Shareholder remove secondary storage facilities, at Shareholder's expense. The following property may be stored or used as storage under upper cabinets: (i) one (1) bicycle, tricycle, folding shopping cart, hand cart, and stepladder of up to 8 feet, or, a combination of three (3) such items; (ii) an enclosed 100+ gallon garden type container having dimensions of not less than approximately 23" x 24" x 50" and which shall be opaque and of a neutral earth tone color; (iii) secondary storage cabinets as described in Section D. Other property including motorcycles, motor bikes, mopeds, electric carts, bicycles, tricycles, etc., must not be parked between self-propelled vehicles because that would infringe upon another Shareholder's vehicle space. Carports are for the use of Mutual Shareholders, Qualifying Residents and Registered Co-Occupants. Use by any other person is

prohibited. Passenger vehicles shall be licensed and insured in compliance with Department of Motor Vehicles regulations. They shall also exhibit a current and valid Golden Rain Foundation identification decal issued by the Golden Rain Foundation and have current DMV registration tags.

Any vehicle leaking oil, antifreeze, or any other hazardous material is prohibited from parking in a Mutual carport or on a Mutual street or driveway. Kitty litter may not be used to cover hazardous materials and may not be disposed of in any Mutual trash container. All hazardous waste materials, including kitty litter, must be disposed of at an Orange County Approved Hazardous Waste site. Shareholders and/or Qualifying Residents or guests who violate these rules may be subject to fine and/or having their vehicle towed at their expense.

5.22.1 Secondary Carport Storage Cabinets. Shareholders are permitted to install a secondary carport storage cabinet, beneath the existing cabinet, at the Shareholder's expense, with the prior written approval of the Mutual Board of Directors and a Building Inspector and upon obtaining the appropriate permit from the GRF Physical Property Department. If a cabinet is installed without permit or not in conformity with this standard design and specified materials, the cabinet shall be removed and rebuilt at the expense of the Shareholder.

5.22.1.1 The dimensions of the lower secondary storage cabinet must conform to the dimensions of the upper cabinet. The lower cabinet doors and hardware must align with the doors and hardware of the upper cabinet. The depth of the lower, secondary storage cabinet must not exceed the depth of the concrete shelf. Width must match the width of the upper cabinet. Exterior paint and hardware must match the existing, standard upper cabinet. Only treated wood purchased through the Property Management Department or treated by an approved contractor with the wood being approved by the Building Inspector, may be used to construct the secondary storage cabinet.

5.22.1.2 Shareholder is responsible for maintaining and repairing any damage to his/her carport cabinet.

5.22.1.3 Secondary cabinets are a non-standard addition. If a subsequent Shareholder does not want the secondary storage cabinets, the seller must remove the secondary cabinet and restore the area to original condition at selling Shareholder's expense.

5.22.1.4 No electricity shall be installed inside the secondary storage cabinet. Any electrical charging station allowed by California Civil Code Section 4745, as may be amended from time-to-time, shall be contained in the upper cabinet or elsewhere, as may be practical and permitted by applicable law.

5.22.1.5 Installation of secondary storage cabinets shall not exempt the Shareholder from the requirement that vehicles parked in the carport stall shall not extend beyond the drip line of the roof and gutters. Installation of secondary storage cabinets replaces the Shareholder's permission to store a bicycle or tricycle, folding cart, and ladder outside of the standard cabinets.

5.22.1.6 Carport Storage Cabinet Policy Notes and Carport Cabinet Guidelines:

1. Front of cabinet to be built flush to front of curb. Dimensions to be adjusted specific to site so doors and frame match upper cabinet.

2. All plywood to be ¾ BCX sanded or better.

3. All wood in direct contact to stucco and concrete to be pressure treated.

4. Existing stucco to constitute back wall and end wall where applicable. Existing upper cabinet to form ceiling. Cabinet must be blocked and scribed to prevent vermin infestation.

5. Hardware - Assemble with 3" and 1 5/8" framing/deck screws

   Hinges - 4" heavy duty tee hinge zinc plated (HD sku# 697-508)

   Hasp - 3 1/2" heavy duty latch post hasp (HD sku# 240-087)

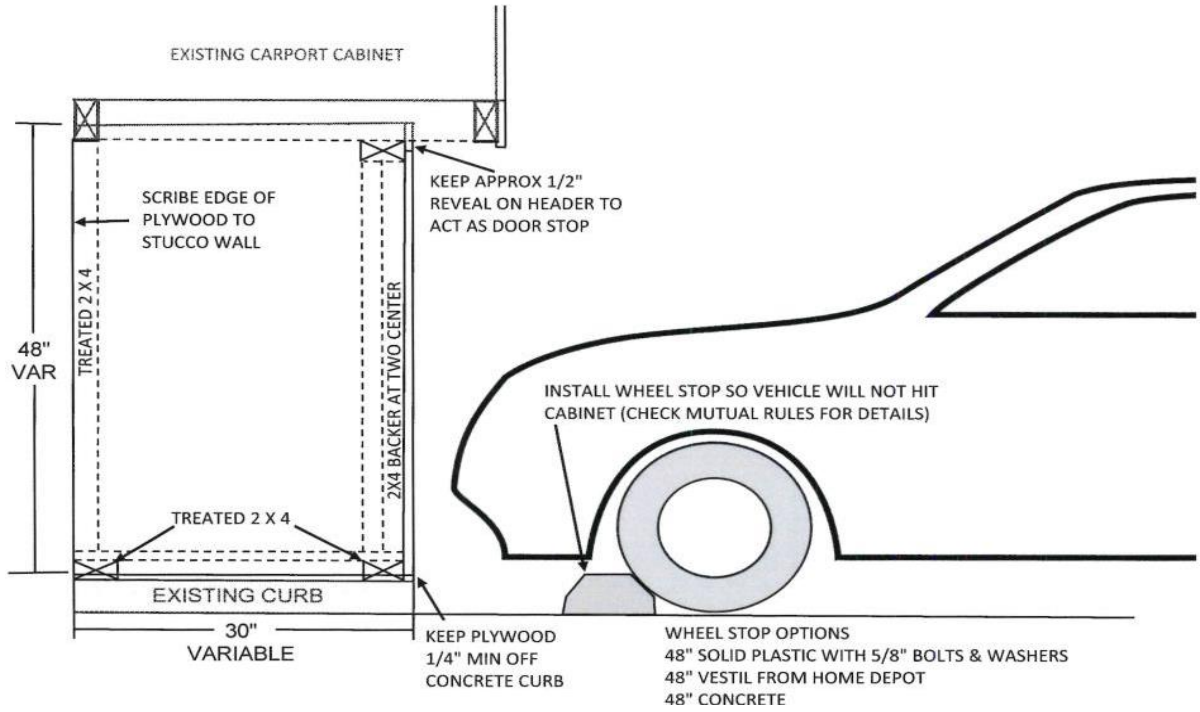
   Bolt - 3" surface heavy duty bolt (HD sku# 240-435)

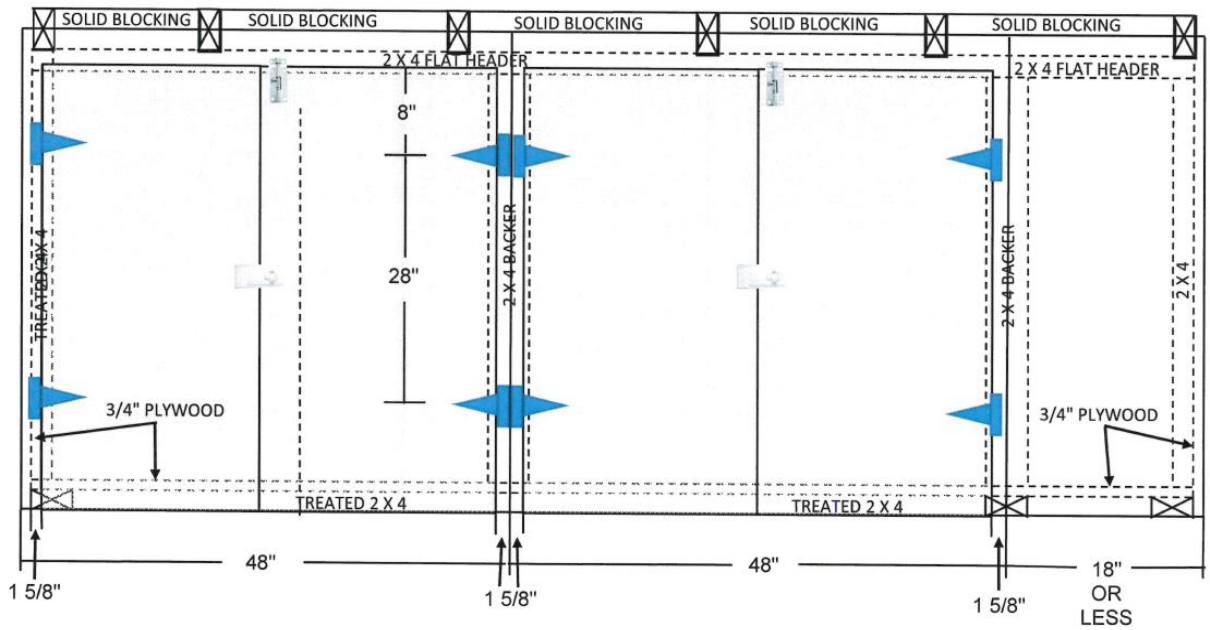
6. Caulk, as necessary. Prime/paint all new exposed wood interior and exterior.

   Paint hinges - paint to match exterior carport in color and sheen. (Info to be provided by Mutual/Physical Prop.)

7. Raised floor supports to be glued to concrete with heavy duty liquid nails adhesive. (To prevent damage to concrete if cabinet requires removal.)

8. 4' solid plastic wheel stop with 5/8 bolts/washers anchored to concrete adjusted for specific vehicle - shareholder/Mutual discretion. (Vehicle may not extend beyond dripline of carport roof.)


EXISTING CARPORT CABINET
SCRIBE EDGE OF PLYWOOD TO STUCCO WALL
KEEP APPROX 1/2" REVEAL ON HEADER TO ACT AS DOOR STOP
48" VAR
TREATED 2 X 4
2X4 BACKER AT TWO CENTER
INSTALL WHEEL STOP SO VEHICLE WILL NOT HIT CABINET (CHECK MUTUAL RULES FOR DETAILS)
TREATED 2 X 4
EXISTING CURB
30" VARIABLE
KEEP PLYWOOD 1/4" MIN OFF CONCRETE CURB
WHEEL STOP OPTIONS
48" SOLID PLASTIC WITH 5/8" BOLTS & WASHERS
48" VESTIL FROM HOME DEPOT
48" CONCRETE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2 X 4 BACKER
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3/4" PLYWOOD
3/4" PLYWOOD
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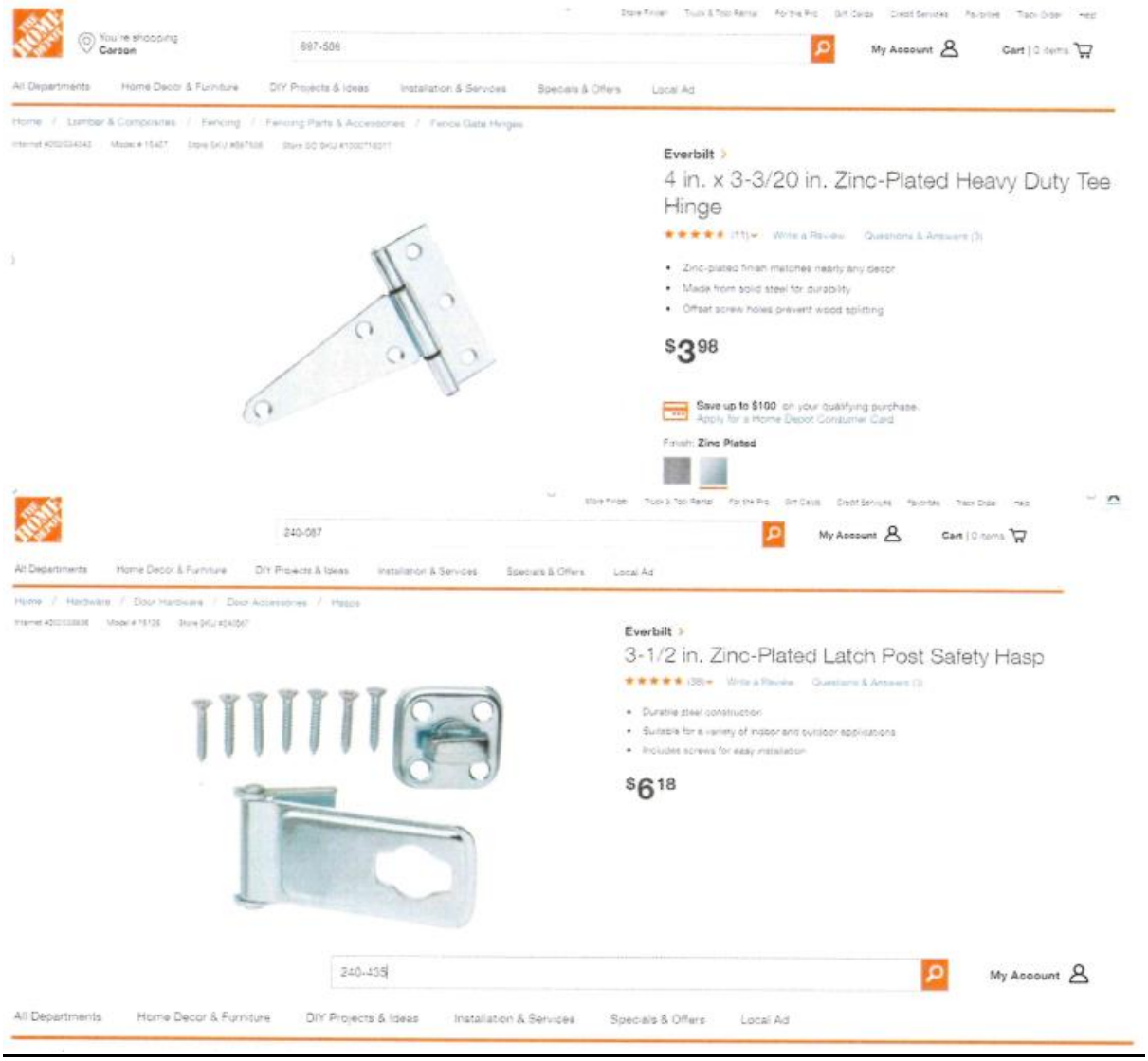
1 5/8"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Specials & Offers
Local Ad
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Durable steel construction
Suitable for a variety of indoor and outdoor applications
Includes screws for easy installation
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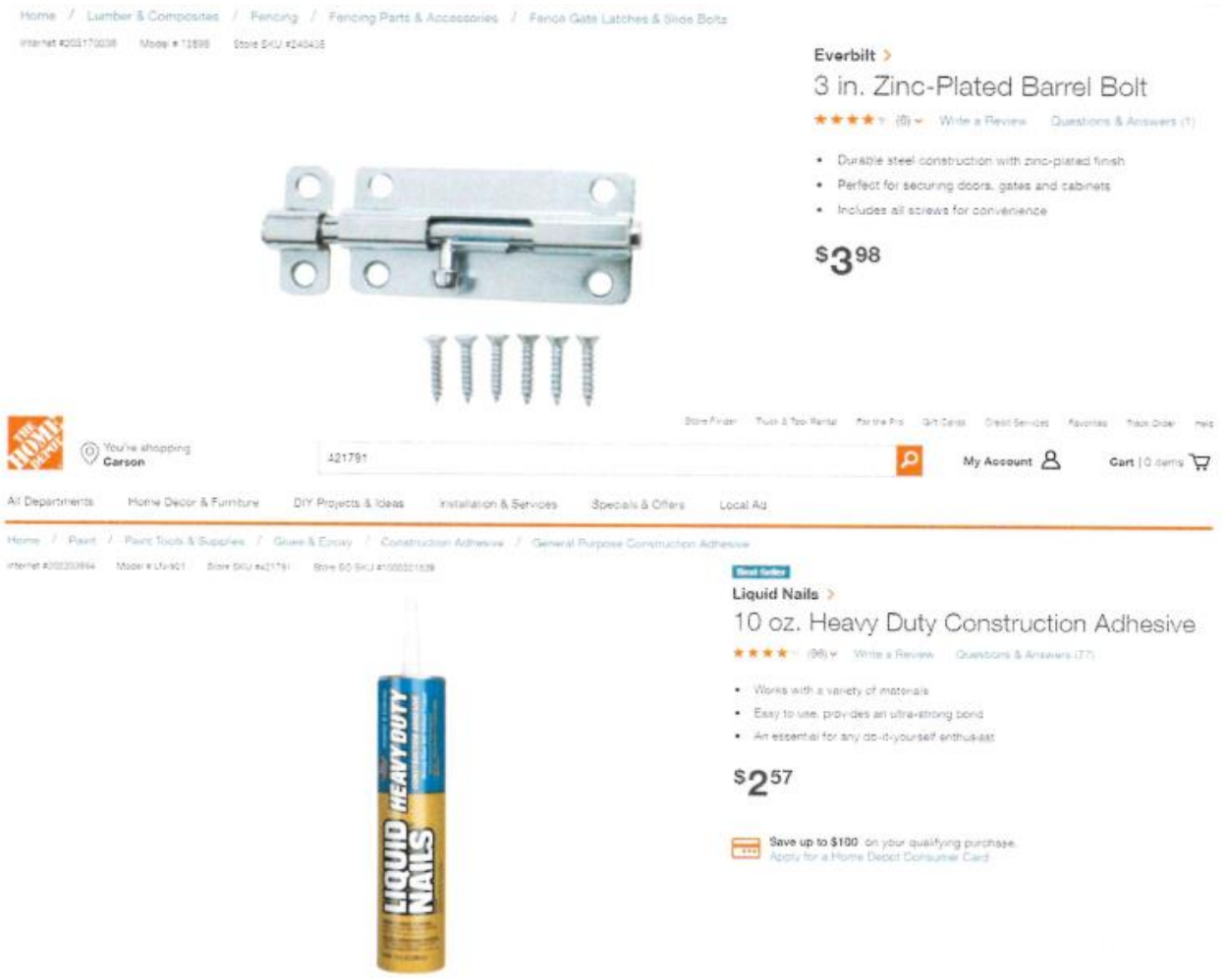
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3 in. Zinc-Plated Barrel Bolt
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HEAVY DUTY

Section 5.23 – Electric Carts & Golf Carts.

Shareholders who own oversized golf carts or LSVs (low speed vehicles) that are designed to carry more than four people must park these vehicles on the street or in the carport. Golf carts or scooters are not permitted on grass areas at any time. Any cart damaging a sprinkler will result in the owner being responsible for any damage. No charging of electric carts, cars or scooters is allowed in carports. If you presently have an electrical outlet, you will be charged a monthly fee for the additional electricity. Shareholders may park any electric vehicle, including automobiles in their assigned carport space.

Section 5.24 – Sidewalk Traffic Restriction.

5.24.1 Gasoline-Powered Vehicles. Gasoline-powered vehicles, including two-wheeled gasoline-powered vehicles, are prohibited from using sidewalks in the Mutual. Exceptions shall be limited to the following: (i) Emergency medical vehicles belonging to the Health Care Center; (ii) Service vehicles designated for sidewalk use belonging to GRF; (iii) Service vehicles designated for sidewalk use belonging to contractors or vendors doing business with Qualifying Residents, Shareholders or corporations (such as newspaper carriers). This exception does not include mopeds and motor scooters.

5.24.2 Roller Skates, Rollerblades, Skateboards, Scooters. Due to potential safety hazards, visitors in the Mutual who are the responsibility of the Qualifying Residents may not use roller skates, roller blades or skateboards or scooters (motorized or other) on Mutual sidewalks or streets. Except that employees working in Leisure World, and visitors residing outside of Leisure World, may ride Bicycles or Tricycles on Mutual sidewalks or streets only if accompanied by a Qualifying Resident.

5.24.3 Golf Carts or LSVs. Shareholders may operate a golf cart or LSV less than 48" in width on a sidewalk only from the point of origin to the nearest driveway or place of exit to the street. Larger golf carts or LSVs are not permitted to be operated on sidewalks. Shareholders should never exceed five (5) miles per hour on any sidewalk regardless of the time of day. Unless an emergency exists, Shareholders driving golf carts, LSVs, or any other vehicle may not use a sound device to alert pedestrians of their presence. Passing a pedestrian on a sidewalk is acceptable ONLY if the pedestrian acknowledges the driver's presence and invites them to pass. Only soft-voice alerts such as "good morning" are acceptable to alert pedestrians of the vehicle's presence. Pedestrians always have the right-of-way on sidewalks, followed by, in order of priority, non-powered wheelchairs, power wheelchairs, mobility scooters, Tricycles and Bicycles. Golf carts or LSVs cannot obstruct any portion of sidewalks.

5.24.4 Shareholder Responsible for Injury or Damage. Damage caused by a Shareholder or a Shareholder's caregiver, family member, guest, or vendor shall be the responsibility of the Shareholder.

5.24.5 Health Care Center and/or GRF Golf Carts or LSVs. Golf carts or LSVs that are designed for sidewalk use and belong to the Health Care Center (HCC), GRF, or contractors or vendors doing business with Shareholders of the Mutual may use Mutual sidewalks for business-related purposes. Damage caused by contractors or vendors must be reported immediately to the GRF Security Department and a Mutual Director or risk being permanently banned from the Mutual. Damage caused by contractors or vendors shall be their responsibility.

5.24.6 Newspaper Carrier Golf Carts or LSVs. Newspaper carriers and the like using golf carts or LSVs shall use Trust Streets and carport roadways whenever possible. Carriers shall adjust their routes of travel whenever noise complaints are lodged against the carrier. The Mutual reserves the right to restrict the use of motorized vehicle deliveries or newspapers prior to 8:00 a.m.

Section 5.25 – Towing.

Under the provisions of the California Vehicle Code, Section 22658, the Mutual has the authority to have a vehicle towed from its property. In every instance of infraction to this Article IV, or any other applicable rules of the Mutual, the Mutual will seek an agreed-upon resolution, but with due consideration to the overriding interests of the entire Mutual, reserves its authority to have a vehicle towed from the premises pursuant to California Vehicle Code Section 22658. The Mutual will remove vehicles parked on Mutual property that are inoperable, abandoned, blocking a fire lane or are parked in such a manner as to constitute a hazard and/or that are in violation of Mutual Rules, and reserves the right to tow any vehicle parked in violation of these Rules pursuant to the provisions of California Vehicle Code Section 22658

5.25.1 Towing Signage. In conformance with Vehicle Code Section 22658, appropriate signage will be posted at all entrance gates warning all who enter Leisure World that it is private property and unauthorized or illegally parked vehicles will be towed away at the vehicle owner's expense. The towing signage will also contain all information required by Vehicle Code Section 22658.

5.25.2 Immediate Towing. Security Department will advise the Mutual Board when vehicles are in violation and may require immediate action/removal: (1) Violation of Mutual Rules and Regulations related to safety/access/flammable materials; (2) Violation of the Fire Lane Regulation CVC 22953(b); (3) Violation of the Fire Hydrant Regulation. If approval is received from the Mutual, Security Department will notify the towing company to respond and meet the designated Mutual representative(s). A private property towing form will need to be signed by a Mutual representative authorizing the towing company to remove and store the vehicle.

5.25.3 Towing Procedure. If a parking violation does not require immediate action or removal, the Security Department will attach a 72-hour warning notice to the vehicle, informing the vehicle owner of the violation and intent to tow upon non-compliance. A copy of the 72-hour warning notice will be provided to the Mutual Administration Department for processing. After the 72-hour period, Security Department will check for compliance and report their findings back to the Mutual Administration Department. If the Mutual approval to remove the vehicle is received upon confirming non-compliance to the 72-hour tow notice and/or receipt of the registered letter, a tow truck will be appointed to remove and store the vehicle. Security Department will maintain a current log of all towing transactions to direct vehicle owners to the appropriate towing company. This Section 5.25 applies to all vehicles - automobiles, motorcycles, Vespa-type scooters, golf carts, scooters – any motor operated vehicle – whether parked in carports, on Mutual streets and/or in marked parking areas.

5.25.4 Violations of Article IV. The Board will review the case of any Mutual Qualifying Resident whose record of violation is referred to the Board, and take one or more of the following actions: (1) Direct a letter of warning to the offender; (2) Appoint a Director or a Committee to confer with and warn the offender; (3) Summon the offender to a regular or special Board meeting for a conference/ warning; (4) Take Board action to find the offender in violation of the Occupancy Agreement and order eviction. Anyone (1) violation can be immediately referred to the Board for action. The Security, Bus and Traffic Committee of GRF will be informed of action taken and its apparent results in each instance cited above.

ARTICLE VI – USE OF LAUNDRY ROOMS

Section 6.1 – Use of Facilities.

Laundry room facilities are available for use solely by Shareholders of the Mutual, except that a caregiver, hired help, or family member of a Shareholder may use the laundry room facilities to do that Shareholder's laundry. Shareholders must oversee and instruct the caregiver, hired help, or family member when the Shareholder's laundry is being done. Caregivers, hired help, or family members may not wash their own laundry in the Mutual's laundry room. Shareholders are

responsible for any damage to the laundry room facilities when Shareholder, their caregiver, their hired help, or their family member is doing the shareholder's laundry. Laundry room facilities are to be used for washing and/or drying only.

Section 6.2 – Dying/Tinting Fabrics Prohibited.
Clothing or fabrics may not be dyed or tinted in the washers or dried in the dryers.

Section 6.3 – Items with Metal Buttons/Clips.
Clothing or other items with metal buttons, clips, etc. must be placed in a small cloth bag or pinned inside a pillowcase when being washed or dried.

Section 6.4 – Out of Order Machines.
When a washer or dryer is out of order, place an "Out of Order" sign on the machine and notify the lease company in charge of that laundry room and provide the number of the machine. Information for the lease company is posted in each laundry room.

Section 6.5 – Hours of Operation.
Laundry room facilities are available for use between the hours of 7:00 a.m. and 9:00 p.m. only.

Section 6.6 – Prohibited Items.
The following items may not be washed in the washers or dried in the dryers: fiberglass curtains or drapes, sleeping bags, heavy blankets, quilts, comforters, car covers, carpet runners, and other oversized items. Athletic shoes may be washed in the washers, but not dried in the dryers. Any clothing or fabric that has been cleaned in a flammable liquid may not be washed in the washers or dried in the dryers. Bathmats or kitchen rugs that are 2.5' by 3.5' or smaller may be washed in the washers, but they may not be dried in the dryers (these rugs may be hung on the clothesline for drying). No rubber backed rugs may be washed in the washing machines or dried in the dryer. Hand-washed clothing or other items may not be placed in the dryers due to the excessive amount of water contained in them. Use the exterior clothesline for hand-washed items, if desired. Animal beds, rugs, and coverings are not permitted to be washed in the washing machines or dried in the dryers.

Section 6.7 – Safety.
The Shareholder is responsible for cleaning up after himself/herself. If the Shareholder feels a dangerous situation or safety problem presents itself in a laundry room that cannot be corrected by the Shareholder, the Shareholder may call their Mutual director. Smoking is prohibited in or around the laundry rooms and exterior clothes drying areas. Clean the dryer filter after each use and dispose of lint in the trash containers.

ARTICLE VII –SECURITY CAMERAS/DRONES

Section 7.1 – Installation of Security Cameras.
No Shareholder may install a surveillance camera or make any other alteration to the Mutual's property. Accordingly, no cameras may be installed on the exterior of a building or anywhere

outside the boundaries of a unit. Shareholders may place cameras inside their unit windows, subject to the following restrictions:

7.1.1 No camera may be trained or focused on the interior of another Unit, on another Unit's front door, or anywhere else other Shareholders have a reasonable expectation of privacy. Security cameras shall not encroach upon common areas of the Mutual or another Shareholder's Unit.

7.1.2 The use of cameras for surveillance or security proposes is done at the installing Shareholder's own risk and such Shareholders understand that cameras may serve as a deterrent but may not actually prevent crime.

7.1.3 Allowing Shareholders to install cameras within their own units, in no way implies any responsibility whatsoever on the part of the Mutual. The Mutual shall not be held liable, or otherwise responsible, for damaged property, illegal activity, and/or risk to life or limb, or any safety or security problem. All Qualifying Residents and their guests are encouraged to provide their own security measures and take safety precautions as necessary, subject to the limitations set forth in the Mutual's Governing Documents. Each Shareholder is responsible for providing their own insurance coverage in the case of criminal activity, property damage, and/or liability.

7.1.4 Shareholders are responsible for all costs associated with the installation, operation, and maintenance of the security cameras.

7.1.5 Shareholders may not install security cameras in a manner that increases maintenance costs for the Mutual. Shareholders shall be responsible for all repairs and maintenance costs incurred due to the installation of security cameras wherever located.

7.1.6 Shareholders shall indemnify the Mutual and/or its Shareholders for loss or damage caused by the installation, maintenance or use of the security cameras, including but not limited to any injuries sustained and/or medical costs incurred to any persons installing, maintaining and/or removing security cameras.

7.1.7 Any Contractor employed by Shareholders to provide security camera installation, maintenance or removal services must hold all licenses which may be required by state law and/or local ordinance, and maintain a current policy of public liability, workers compensation, and property damage insurance which does not contain any endorsements or exclusions for work performed at common interest developments. The Mutual, the Mutual's managing agent, and the installing Shareholder(s) shall be named as additional insureds on the installer's policy of insurance.

7.1.8 Any incursion into the structure (roofs, walls, etc.) that results in damage or water/moisture penetration and any costs incurred related to such damage shall be the sole responsibility of the Shareholders to fully reimburse the Mutual to repair and remediate such damage.

7.1.9 If the security camera is removed for any reason, the Shareholders shall remediate any holes and/or penetrations that were made relative to the installation of the security camera. Shareholders shall be solely responsible for restoring the exterior of the Unit, any Mutual property, and/or any common area within the Mutual to its original condition, prior to the installation.

7.1.0 When a Shareholder sells his/her Unit, the Shareholder shall require the new Shareholder to accept responsibility in writing or to remove the security camera and its associated components of the installation and restore the property as described above. Should the new Shareholder fail to accept such responsibility, the Shareholder is responsible for removing any security cameras installed.

7.1.1 Any video footage recordings made by the Shareholder's security cameras are the sole property and responsibility of the Shareholder. The Mutual shall bear no responsibility nor have any liability for the recordings. The Shareholder shall indemnify the Mutual and its managing agents in the event any loss or damage is caused due to any unlawful recording and/or dissemination of video footage obtained by the security camera, by the Shareholder and/or any third party.

7.1.2 Pursuant to California Penal Code section 632, it is unlawful to use a recording device to record the communication between parties, without the consent of all parties to a confidential communication. Individuals may have an expectation of privacy in their conversations and any security camera installed should not record audio.

7.1.3 All installations of security cameras shall be completed so that no damage is sustained to the Mutual property, common area, and/or the property of any Shareholder, or in any way impair the integrity of any buildings, Mutual property, common areas and/or the property of any Shareholders within the Mutual. No installation of any security cameras shall void any Mutual and/or any Shareholder's warranty and/or insurance policies.

Section 7.2 – Smart Doorbells.
No Shareholder may install a Smart Doorbell.

Section 7.3 – Unmanned Aerial Flights Vehicles (Drones).
The recreational flight of drone aircraft is prohibited over all Mutual property. The only circumstances under which drone aircraft may operate in the air over Mutual property are as follows:

(i) In the event of an emergency declared by local, state or federal authority, or by an authorized officer of the Golden Rain Foundation, or the Executive Director of the GRF, or an officer of Mutual Board of Directors. Proper documentation of the qualifications of those operating the drone and liability insurance will be required; or

(ii) A commercial drone flight, at the invitation of the Mutual Board, for purposes determined to be necessary and beneficial to Mutual shareholders. Proper documentation of the qualifications of those operating the drone and liability insurance will be required.

Any violation of this Section 6.3 shall be considered a trespass, and the Leisure World Security staff will be called upon to bring such trespass to an end in a peaceful manner with or without the assistance of the Seal Beach Police Department.

ARTICLE VIII – WILDLIFE

Section 8.1 – Prohibition on Feeding Non-Domesticated Wildlife.
For purposes of this Article, non-domesticated wildlife is described as all members of the wild bird family, including but not limited to, hawks, owls, pigeons, doves, crows, and black birds, as well as other wildlife such as rabbits, opossums, raccoons, squirrels, rats, coyotes, and feral cats. In compliance with California Code Section 251.1, no Shareholder shall feed any non-domesticated wildlife on Mutual property.

Section 8.2 – Pet Food and Standing Water.
Pet food and standing water sources are prohibited on porches, in carport areas, and in gardens.

ARTICLE IX – BARBECUES

Section 9.1 – Use of Barbecues.
Propane or butane barbeques shall only be used in an outdoor location that is at least 10 feet away from all structures. After barbequing, the barbecue may be left in place overnight to allow the appliance to cool down. Charcoal barbeques are not permitted.

Section 9.2 – Prohibited Use of Barbecues.
Propane or butane charcoal barbeques shall not be used under a porchroof due to the possibility of large flare-up flames while cooking. Barbeques shall not be used underneath the eaves. Propane, butane or barbeques shall never be used inside a Unit for cooking, heating or storage purposes.

Section 9.3 – Storage of Barbecues.
Propane or butane barbeques may be stored on the outside, open porch of a ground floor Unit, but never stored in an enclosed porch. If a Unit has no porch, the barbeque must be covered and stored in the garden area adjacent to the main entry walkway. Propane or butane barbeques shall not be stored inside a Unit. Propane, butane, or other compressed gas shall not be stored on an enclosed porch or inside a Unit.

ARTICLE X – PETS

Section 10.1 – Definition of Pet.
A pet is any domesticated bird, cat, dog, aquatic animal kept within an aquarium, or other animal as agreed to between the Mutual and the homeowner.

Section 10.2 – Number of Quadruped Pets.
The number of quadruped pets per Unit shall be restricted to one.

Section 10.3 – Number of Birds.
The number of birds per Unit shall be restricted to two.

Section 10.4 – Prohibited Animals.
All members of the reptile, arachnid and monkey families, as well as any raucous-voiced birds, are prohibited; however, a reptile, such as a small lizard or turtle that is housed in a terrarium or aquarium, is permitted. At no time shall it be appropriate for Shareholders to house or maintain within the confines of the Mutual any animal commonly known as a farm animal, domesticated farm animal, or any animal commonly maintained on a farm for the purpose of breeding for its fur, feathers, byproducts, or for human consumption, or as may be found in specialty meat markets. Farm animals may include, but are not limited to: duck, goose, chicken, potbellied pig, piglet, cow, calf, goat, rabbit, lamb, miniature horse, pony, etc.

Section 10.5 – Weight Restrictions.
No pet which is expected to weigh in excess of twenty-five (25) pounds at full maturity may be kept within the Mutual.

Section 10.6 – Pets Prohibited in Common Area.
Pets are prohibited from common area facilities, such as clubhouse facilities, library, Golf course, health care center, amphitheater, swimming pool area, Administration Building, lobbies, and laundry rooms. In all other permitted areas, the pet must be on a leash not longer than six feet and under the control of, and accompanied by, a Qualifying Resident and/or adult agent of the Qualifying Resident pet owner and/or responsible adult.

Section 10.7 – Pet Waste.
In accordance with Seal Beach City Code, Section 3-10.26 - Maintaining Sanitary Conditions, persons allowing their dog or cat to defecate on property other than their own property, shall remove such feces immediately or be subject to a city fine of $25. The Qualifying Resident pet owner shall immediately, and forthwith, remove any pet waste deposited by the pet in all common areas where said pet is permitted. The Mutual will impose a fine, per occurrence, on any Qualifying Resident pet owner who fails to immediately remove any such pet waste deposited by their pet. The imposed fine shall be $25, per occurrence or the actual amount charged by the janitorial services company to have one of its employees remove the pet waste, if greater than $25. The imposed fine shall be paid by the Qualifying Resident pet owner to the Mutual. It shall not be permissible to maintain a pet in a residence unless sanitary standards are maintained governing the disposal of pet waste. Qualifying Resident pet owners with properly registered pets shall be permitted to walk their pet while the pet is on a leash not longer than six feet for the purpose of exercising and/or depositing pet waste on any lawn area. At all times, the Qualifying Resident pet owner or responsible adult must have on their person, in plain view a

plastic bag and/or a poop scoop device for the purpose of immediately removing any pet waste deposited on any lawn or ground area.

Section 10.8 – Requirements.
All quadruped pets brought into the Mutual by a Qualifying Resident pet owner shall have been spayed or neutered. Qualifying Resident pet owners are required to control noise and odor caused by a pet. Any noise or odor which adversely affects any other resident is not permitted. No quadruped pet may be left unattended in any dwelling area for more than four (4) hours. All pets must be under the Qualifying Resident pet owner's control in a Unit, so as not to be a hazard to security officers, maintenance staff, fire inspectors, paramedics, mail carriers or service providers, or other employees requiring access to a Unit where there are pets. Qualifying Resident pet owners who, on a temporary basis, allow a neighbor to assume responsibility for their pet for a period longer than four (4) consecutive hours must notify the Security Department of the temporary arrangement and provide a sign for the neighbor to post on the exterior of the neighbor's residence, near the front door, notifying service providers and employees who require access to the Unit in an emergency that a pet is temporarily being housed inside the Unit.

Section 10.9 – License Requirements.
All pets to be living within the Mutual, before being registered for admittance, shall have been inoculated in accordance with all federal, state and local laws, and shall be licensed by the City of Seal Beach as required, and shall carry a current license tag on their collar. Said licensing shall be pursuant to all applicable local and state laws and regulations. All properly registered pets (cats and dogs) shall also be required to wear a bright- colored Mutual tag on their collar along with the license tag, thereby showing proof of registration with GRF. Pet owners must provide written documentary proof to GRF that the pet to occupy a Qualifying Resident's Unit is licensed pursuant to all applicable state and local laws and regulations and will carry a licensed tag as described herein. Pet owners must complete and sign a Pet Ownership Registration Form as prepared by GRF and/or the Mutual in which Qualifying Resident resides.

Further, the pet registration information and licensing must be updated on or before December 31 of each year.

The Mutual/GRF Pet Ownership Registration Form will include or be accompanied by: (1) A certificate signed by a licensed veterinarian or a state or local authority empowered to inoculate animals, stating that the quadruped pet has received all inoculations required by applicable state, and local laws; (2) Information sufficient to identify the pet, and to demonstrate that it is a common household pet; (3) The name, address, and telephone number of one or more responsible parties who will care for the pet if the pet owner dies, is incapacitated, or is otherwise unable to care for the pet; (4) A statement signed by the Qualifying Resident pet owner indicating that he/she has read these Pet Ownership Rules and agrees to comply with the contents therein. The Qualifying Resident pet owner shall acknowledge that the pet owner and the pet are subject to exclusion from the Mutual and the Unit if there is not a compliance with these Rules and registration requirements. The Qualifying Resident pet owner shall acknowledge that failure to

comply with these Rules and registration requirements shall be grounds for refusing to permit a pet to be kept in a Unit of the Mutual, and continued violations may cause termination of the Qualifying Resident pet owner's residency; and (5) The insurance carrier for the liability insurance required as to the pet, together with the address of the agent, and the amount of coverage procured shall be indicated on the Pet Ownership Registration Form. Qualifying Resident pet owners shall bring a copy of their insurance policy into the Stock Transfer Office and have a copy made of the cover and declaration pages, which will then be placed in the pet occupancy file. Coverage requirements are set forth in this Article X.

Section 10.10 – Non-Resident Animals.
Pets not owned by a Qualifying Resident shall not be brought upon the premises of the Mutual. Qualifying Residents may not, even temporarily, keep a non-registered pet owned by another person in their Unit.

Section 10.11 – Cat Litter.
Qualifying Resident pet owners owning a cat, or another pet using a litter box, are required to change the litter at least twice each week. Qualifying Resident pet owners are required to separate the pet waste from the litter at least once each day. Pet waste shall be deposited in airtight plastic bags before being deposited in the trash or garbage bins. Do not flush kitty litter down the toilet, as this will cause a sewer blockage.

Section 10.12 – Insurance Requirement.
Qualifying Resident pet owners owning a cat or dog pursuant to these regulations shall procure a policy of liability insurance in the amount of $300,000.00 for personal liability insurance, for the indemnification of other persons who may be injured by the pet of the Qualifying Resident with coverage in an amount sufficient to cover their personal liability.

Section 10.13 – Pet Ownership Decal.
Resident pet owners must display a pet ownership decal in a prominent location near the front door of their residence in order to alert security officers, maintenance staff, fire inspectors, mail carriers, or other employees requiring access to a Unit where there are pets.

Section 10.14 – Move Out Cleaning Requirements.
Resident pet owners, upon the sale of their Unit shall have the Unit treated professionally by a licensed pest control company prior to the close of escrow, at the pet owner's expense.

Section 10.15 – Mutual's Right to Remove Pets.
In the event of any emergency related to a pet, and in the event there is no state or local authority (or designated agent of such an authority), the Mutual reserves the right to remove a pet that becomes vicious, displays symptoms of severe illness, or demonstrates other behavior that constitutes an immediate threat to the health or safety of other residents of Seal Beach Leisure World, and/or their guests. Subject to execution of an agreement by the Qualifying Resident pet owner, a representative of the Mutual, along with the Security Department, may enter the premises, if necessary, to remove the pet only if the Qualifying Resident pet owner refuses to

remove the pet at the Mutual Corporation's request, or if the Mutual Corporation cannot contact the Qualifying Resident pet owner to make a removal request, and may take such action with respect to the pet as may be permissible under federal, state and local laws, which may include placing the pet in a facility that will provide care and shelter for a period not to exceed thirty (30) days. If the health or safety of a pet is threatened by the death or incapacity of the Qualifying Resident pet owner, or by other factors that render the Qualifying Resident pet owner unable to care for the pet, and pursuant to the authorization in the Pet Ownership Registration Form, the Mutual may contact a responsible party or parties listed on the Pet Ownership Registration Form for the purpose of removing and caring for the animal. If the responsible party or parties are unwilling or unable to care for the pet, the Mutual may contact the appropriate state or local authority and request the removal of the pet. If there is no state or local authority, the Mutual Corporation may remove the pet and place it in a facility that will provide care and shelter until the responsible party or representative may be contacted, or the Qualifying Resident pet owner is able to assume responsibility for the pet, but not for longer than thirty (30) days. The cost of the animal care shall be borne by the Qualifying Resident pet owner. In the event that no resolution, as related to the care of the pet under and pursuant to the above is made within thirty (30) days, the Mutual and/or GRF are authorized to deliver the pet to any local humane society or association, either private, state, federal, or county.

Section 10.16 – Pet Owner Liability.
The Qualifying Resident pet owner or Qualifying Resident pet owner's estate shall remain responsible for any and all damages, injuries and related expenses caused by the pet, which may include the payment of any legal expenses incurred by the Mutual and GRF in the enforcement of these Rules.

Section 10.17 – Violation of this Article X.
In the event of a determination of a violation of these Rules, the Mutual shall serve a written notice of the pet rule violation on the Qualifying Resident pet owner. The written notice shall contain a statement of the factual basis for determining which violation has occurred to constitute alleged violation of these pet Rules. The written notice shall state that the Qualifying Resident pet owner has ten (10) days from the effective date of service of the notice to: (i) Correct the violation (including, in appropriate circumstances, removal of the pet); or (ii) Make a written request to hold a meeting with the Mutual Board to discuss the alleged violation. The Qualifying Resident pet owner is entitled to be accompanied by another person of his/her choice at a meeting, if a meeting is requested. The Qualifying Resident pet owner's failure to correct the violation, to request a meeting, or to appear at a requested meeting, may result in an initiation of procedures to terminate the Qualifying Resident pet owner's occupancy in the Mutual.

Section 10.18 – Service Pets.
These Rules and Regulations concerning pets, including without limitation, Section 9.2 and 9.3 related to number of pets, and Section 9.4 related to weight restrictions, shall have no application to a Qualifying Resident with a bona fide service animal or animal required because of a physical

disability of the Qualifying Resident, who requires a service animal specifically trained to assist the Qualifying Resident or to a Qualifying Resident or QPR who is otherwise entitled to a reasonable accommodation from complying with these Rules under applicable State or Federal law. Such Qualifying Resident or QPR may make such request for reasonable accommodation to the Mutual, which will consider each request on a case-by-case basis.

Article XI - ELECTION AND VOTING RULES AND REGULATIONS

The Board of Directors of the Mutual has adopted these Election and Voting Rules and Regulations ("Election Rules"), in accordance with Civil Code §5105, et seq., to establish certain procedural rules for the successful management of meetings of the Shareholders and the implementation of the relevant provisions of the Mutual's Bylaws concerning elections and voting. These Election Rules are not intended to replace or supersede the provisions of the Mutual's Bylaws. Notwithstanding the foregoing, these Election Rules were revised and adopted by the Board to comply with the changes to California Civil Code §§ 5100; 5105; 5110; 5115; 5125; and 5145 which take effect on January 1, 2020, pursuant to California Senate Bill 323. As such, any inconsistency between these Election Rules and the Bylaws shall be governed in accordance with the Civil Code.

These Election Rules shall not be amended less than ninety (90) days prior to an election.

Section 11.1 – Qualifications of Candidates and Directors/Elected Positions

a. Candidates for election to the Board shall be Shareholders of the Mutual, and the Board shall be composed of five (5) persons who shall, at all times, be Shareholders of the Mutual.

b. In order to be a candidate for election for Director or any other elected position, such Shareholder, as of the date ballots are distributed: (a) must be current in the payment of Regular and Special assessments ; (b) must not have a joint ownership interest, either directly or indirectly, in the same separate interest as another candidate or incumbent Director; (c) must have been a Shareholder of the Mutual for not less than one (1) year; (d) must not have a past criminal conviction that, if elected, would either prevent the Mutual from purchasing the fidelity bond coverage required by Civil Code §5806, or terminate the Mutual's existing fidelity bond coverage. If title to a separate interest is held by a legal entity that is not a natural person, the governing authority of that legal entity shall have the power to appoint a natural person to be a Shareholder for purposes of running for and serving on the Board. Notwithstanding the foregoing, the candidate shall not be disqualified for election for Director for failure to be current in payment of Regular and Special assessments if either of the following circumstances is true:

(i) The candidate has paid the Regular or Special assessment under protest pursuant to Civil Code §5658;

(ii) The candidate has entered into a payment plan pursuant to Civil Code §5665.

Furthermore, the Mutual shall not disqualify the candidate pursuant to this Section 12.1(b) if he or she has not been provided the opportunity to engage in Internal Dispute Resolution pursuant to Civil Code §§5900-5920.

c. In order to remain qualified to serve on the Board, at all times during such Shareholder's term as a Director, the Shareholder must: (a) remain current in the payment of Regular and Special assessments; (b) not enter into a joint ownership interest, either directly or indirectly, in the same separate interest as another Director; (c) must remain a Shareholder of the Mutual; (d) must not be convicted of a crime that would either prevent the Mutual from purchasing the fidelity bond coverage required by Civil Code §5806 or terminate the Mutual's existing fidelity bond coverage. Notwithstanding the foregoing, the Director shall not be disqualified for failure to be current in payment of Regular and Special assessments if either of the following circumstances is true:

(i) The Director has paid the Regular or Special assessment under protest pursuant to Civil Code §5658;

(ii) The Directors has entered into a payment plan pursuant to Civil Code §5665.

Furthermore, the Mutual shall not disqualify the Director pursuant to this Section 12.1(c) if he or she has not been provided the opportunity to engage in Internal Dispute Resolution pursuant to Civil Code §§5900-5920.

d. The Board may declare vacant the seat of any Director who ceases to meet the qualifications for a Director set forth in this Section upon the occurrence of the non-qualifying event, and the Director's seat shall then be deemed vacant in accordance with the Mutual's Bylaws and/or the Corporations Code.

Section 11.2 – Nomination Procedures

a. The Mutual shall send to all Shareholders a request-for-candidates form, seeking nominations for candidates for the Board and providing general notice of the procedure and deadline for submitting a nomination for election to the Board at least thirty (30) days before any deadline for submitting a nomination. Individual notice shall be delivered pursuant to Civil Code §4040 if individual notice is requested by a Shareholder.

b. Nominations will be valid so long as the nominee has either nominated himself or herself or provides notice of acceptance of the nomination prior to the close of nominations.

c. If a person or entity nominated is not qualified to serve on the Board pursuant to Section 1(b) of these Election Rules, and the candidate has been provided the opportunity to engage in Internal Dispute Resolution pursuant to Civil Code §§5900-5920, that candidate's name shall not appear on the ballot and that person or entity will not be permitted to serve if elected.

d. The Inspector shall retain, as Mutual election materials, both a candidate registration list and a voter list. The voter list shall include the name, voting power, and either the physical

address of the Shareholder's Unit, the parcel number, or both. The mailing address for the ballot shall be listed on the voter list if it differs from the physical address of the Shareholder's Unit or if only the parcel number is used. The Mutual shall permit Shareholders to verify the accuracy of their individual information on both lists at least thirty (30) days before the ballots are distributed. The Mutual or Shareholder shall report any errors or omissions to either list to the Inspector or Inspectors who shall make the corrections within two (2) business days.

Section 11.3 – Voting Qualifications of Shareholders.

a. All Shareholders shall be entitled to vote in any Shareholder vote.

b. These Election Rules expressly:

(1) Prohibit the denial of a ballot to a Shareholder for any reason other than not being a Shareholder at the time when ballots are distributed;

(2) Prohibit the denial of a ballot to a person with general power of attorney for a Shareholder;

(3) Require the ballot of a person with general power of attorney for a Shareholder to be counted if returned in a timely manner; and,

(4) Require the inspector or inspectors of elections to deliver, or cause to be delivered, at least thirty (30) days before an election, to each Shareholder both of the following documents:

(A) The ballot or ballots;

(B) A copy of these Election Rules. Delivery of these Election Rules may be accomplished by either of the following methods:

(i) Posting these Election Rules to an internet website and including the corresponding internet website address on the ballot together with the phrase, in at least 12-point font: "The rules governing this election may be found here:"

http://www.lwsb.com/residents/mutual-policies/

(ii) Individual delivery.

c. Each Shareholder shall have one (1) vote per stock owned. In no event shall more than one (1) vote be cast with respect to any stock. When more than one (1) person holds a stock, all such persons shall be deemed Shareholders, provided however, that the vote for such stock shall be exercised as a unit, in accordance with the provisions of the Mutual's governing documents. If two or more ballots are received for any one stock, the first ballot received shall be counted and the additional ballot(s) discarded.

Section 11.4 – Inspector of Election.

a. At an open meeting, the Board shall appoint one (1) or three (3) persons to serve as independent Inspector(s) of Election ("Inspector(s)").

b. The Inspector must be an independent third party who is not:

(i) Currently a member of the Board or a candidate for the Board;

(ii) Related to a member of the Board or a candidate for the Board; or

(iii) A person, business entity, or subdivision of a business entity who is currently employed or under contract to the Mutual for any compensable services other than serving as an Inspector of Elections.

c. The Board may select as the Inspector(s), Mutual Shareholder(s), a volunteer poll worker with the County registrar of voters, a licensee of the California Board of Accountancy, a notary public, or any other independent third-party authorized to serve as Inspector(s) under these Election Rules.

d. The Board, in its discretion, may remove and replace the Inspector(s) at any time prior to the date of any election.

e. The Board may pay reasonable compensation to a non-Shareholder third-party Inspector. If the Board determines that it will appoint and pay non-Shareholder third-party Inspector, the following terms must be fulfilled:

(i) A formal written contract for the Inspector, stating that the Inspector is an independent contractor;

(ii) The Inspector will maintain insurance with at least $1 million CGL coverage, including completed operations coverage, and $1 million D&O/E&O (naming the Mutual and GRF as additional insureds on both policies); and

(iii) The contract shall require the Inspector to indemnify the Mutual for gross negligence and willful and/or malicious misconduct.

f. If an Inspector is unwilling, unable, or does not perform his/her duties as stated in these rules or becomes ineligible to be an Inspector at any time after appointment, the Board may remove that Inspector without notice, and may appoint another Inspector in his or her place.

g. The Inspector shall perform his/her duties impartially, in good faith, to the best of his or her ability, and as expeditiously as is practical.

h. The Inspector shall have the duty to:

(i) Determine the number of Shareholders entitled to vote and the voting power of each;

(ii) Determine the authenticity, validity, and effect of proxies, if required by statute;

(iii) Receive ballots;

(iv) Verify the Shareholder's information and the presence of a signature on the outer envelope. For mailed ballots, the Inspector(s) may verify the Shareholder's information and presence of a signature on the outer envelope prior to the election;

(v) Determine the existence of a quorum, if required by statute or the governing documents. For the purposes of determining a quorum, each ballot received by the Inspector(s) shall be treated as a Shareholder present, except in the case of duplicate ballots or multiple ballots from the same stock;

(vi) Hear and determine all challenges and questions in any way arising out of or in connection with the right to vote;

(vii) Count and tabulate all votes;

(viii) Determine when the polls shall close, consistent with the governing documents;

(ix) Determine the tabulated results of the election;

(x) Report the tabulated results of the election or balloting promptly to the Board of Directors to ensure that the Board can publicize the results to the Shareholders within fifteen (15) days of the election; and

(xi) Perform any acts as may be proper to conduct the election with fairness to all Shareholders in accordance with Civil Code section 5110, the Corporations Code, and all applicable rules of the Mutual.

i. The Inspector may meet and discuss election issues amongst themselves and/or with Mutual counsel.

j. If there are three (3) Inspectors, the decision or act of two (2) or more Inspectors shall be effective in all respects as the decision or act of all.

k. The Inspector may appoint and oversee additional persons to verify Shareholders' information and signatures and to count and tabulate votes as the Inspector deems appropriate.

l. The Inspector's report of the election, once signed to certify the election, is prima facie evidence of the facts stated in the report.

Section 11.5 – Access to Mutual Media.

a. No candidate or Shareholder shall be provided access to Mutual media, newsletters or internet web sites during the campaign except with the express consent of the Board, and solely for purposes that are reasonably related to that election. The Board's consent may be withheld at its sole discretion and for any reason.

b. In the event access to Mutual media, newsletter or internet web sites is granted to any candidate or Shareholder advocating a point of view, during any campaign for purposes that are reasonably related to that election, then all candidates and Shareholders advocating a point of

view, including those not endorsed by the Board, shall be provided equal access for purposes reasonably related to that election.

c. In the event access to Mutual media, newsletter or internet websites is granted, the Mutual shall not censor, edit or redact any content from the communications of the candidates and Shareholders advocating a point of view, but may include a statement specifying that the candidate or Shareholder, and not the Mutual, is responsible for the content of the message. The following statement may be published by the Mutual:

"The views expressed are those of its author and do not reflect the view of the Mutual, its directors, managers, employees or agents. The author is solely responsible for its content. The Mutual was required by law to publish the communication as written, regardless of content."

Section 11.6 – Access to Common Area Meeting Space.
If any Common Area meeting space exists within the Mutual, access to such meeting space shall be made available at no cost to all candidates, including those who are not incumbents, and to all Shareholders advocating a point of view, including those not endorsed by the Board, for purposes reasonably related to the election or vote, upon reasonable request.

Section 11.7 – Mutual Funds.
Mutual funds shall not be used for campaign purposes in connection with any election except to the extent necessary to comply with the duties of the Mutual imposed by law.

Section 11.8 – Proxies.
The Mutual is not required to prepare and distribute proxies. All proxies shall be in writing, dated and filed with the Secretary before the appointed time of each meeting. Each proxy shall be revocable and shall automatically cease upon conveyance by the Shareholder of his or her stock, or upon receipt of notice by the Secretary or the Board of the death or judicially declared incompetence of a Shareholder, or upon the expiration of three (3) years from the date of the proxy. The authenticity, validity and effect of proxies submitted by Shareholders shall be determined by the Inspector(s), consistent with the Mutual's Governing Documents and any statutory requirements. If a Shareholder submits both a proxy and a ballot to the Inspector(s), the ballot will supersede the proxy. Proxies may not be used in lieu of a ballot. Proxies may not be revoked once a proxyholder has submitted a ballot to the Inspector(s). Only a Shareholder may serve as a proxyholder.

Section 11.9 – Voting Period.
a. The Board shall generally determine the dates upon which polls will open and close, consistent with the governing documents and applicable law.

b. The Mutual shall provide general notice of all of the following at least thirty (30) days before the ballots are distributed:

(1) The date and time by which, and the physical address where, the ballots are to be returned by mail or handed to the Inspector or Inspectors of Elections;

(2) The date, time, and location of the meeting at which ballots will be counted;

(3) The list of all candidates' names that will appear on the ballot;

(4) Individual notice of the above shall be delivered pursuant to Civil Code §4040 if individual notice is requested by a Shareholder.

c. All candidates shall have a reasonable opportunity to communicate their qualifications to Shareholders and to solicit votes.

Section 11.10 – Secret Balloting Procedures.

a. The Mutual shall utilize a secret ballot process pursuant to Civil Code section 5115 for the following matters: (i) A vote of the Shareholders regarding assessments per Civil Code section 5605; (ii) Election of members of the Board; (iii) Amendments to the governing documents; (iv) Grant of Exclusive Use Common Area pursuant to Civil Code section 4600; (v) Removal of Directors; and (vi) Any other Shareholder vote which the law requires to be conducted via the secret ballot process;

b. Notwithstanding Paragraph 10(a) herein, the Mutual may utilize a secret ballot process for any other Shareholder vote, if allowed by law or the governing documents.

c. A ballot and two pre-addressed envelopes (Envelopes # 1 and # 2) with instructions on how to return the ballot shall be mailed by first-class mail or delivered by the Mutual to every Shareholder at least thirty (30) days prior to the deadline for voting.

d. The ballot shall contain the names of any candidates known to the Mutual at the time the ballot is mailed. If no candidates are known or if there are fewer candidates than the number of Directors to be elected, the Mutual will send out a ballot which has the names of the known candidates.

e. Cumulative voting is permitted in all elections.

f. Write-in candidates and nominations from the floor shall not be permitted.

g. A voter may not be identified by name, unit number, or address on the ballot.

h. The ballot itself is not signed by the Shareholder voting, but rather, is to be inserted into Envelope # 1 that is sealed by the Shareholder. Envelope # 1 is then inserted into Envelope # 2, which is then sealed by the Shareholder.

i. Envelope # 2 is addressed to the Inspector(s). In the upper left-hand corner of Envelope # 2, the voter shall sign his or her name, print his or her name, and indicate the address or separate interest identifier that entitles him or her to vote.

j. Envelope # 2 may be mailed or delivered by hand to a location specified by the Inspector(s). The Shareholder may request a receipt for delivery.

k. Once a ballot has been cast, it cannot be revoked.

l. Only the Mutual's ballots and envelopes which are sent out to the Shareholders by the Mutual or are provided by the Mutual at the membership meeting will be accepted by the Inspector(s).

Section 11.11 – Vote Tabulation.

a. All votes shall be counted and tabulated by the Inspector(s), or the duly authorized persons appointed by the Inspector(s), in public at a properly noticed Shareholders meeting.

b. The ballots shall not be opened or otherwise reviewed prior to the time and place which the ballots are counted and tabulated.

c. Any candidate or Shareholder may witness the counting and tabulation of the votes. Shareholders are prohibited from speaking to the Inspector(s) of Elections or their designee(s) during the tabulation process or from interrupting the tabulation process in any way.

d. The Inspector(s), or his or her designee, may verify the Shareholder's information and signature on Envelope #2 prior to the meeting at which ballots are tabulated.

Section 11.12 – Election Results.

a. The Inspector(s) shall promptly report the results of the election to the Board. The Board shall record the results of the election in the minutes of the next Board meeting and make them available to the Shareholders for review.

b. Within fifteen (15) days of the election, the Board shall publicize the results of the election in a communication directed to all Shareholders.

Section 11.13 – Custody, Storage and Retention of Ballots

a. The sealed ballots, signed voter envelopes, voter list, proxies, and candidate registration list (collectively referred to as "election materials") shall, at all times be in the custody of the Inspector(s), or at a location designated by the Inspector(s), until after the tabulation of the vote, and until the time allowed by Civil Code §5145 for challenging the election has expired, at which time the ballots shall be transferred to the Mutual.

b. If there is a recount or other challenge to the election process, the Inspector(s) shall, upon written request, make the election materials available for inspection and review by an Shareholder or his or her authorized representative. Any recount shall be conducted in a manner that preserves the confidentiality of the vote.

c. After the transfer of the ballots to the Mutual, the election materials shall be stored by the Mutual in a secure place for no less than three (3) years following the date of the election.

d. The Inspector shall retain, as Mutual election materials, both a candidate registration list and a voter list. The voter list shall include the name, voting power, and either the physical address of the voter's Unit, the parcel number, or both. The mailing address for the ballot shall

be listed on the voter list if it differs from the physical address of the voter's Unit or if only the parcel number is used.

ARTICLE XII – ESTATE/PORCH SALES

Section 12.1 – Shareholder Estate/Porch Sales.

A Shareholder who wishes to conduct an estate or porch sale must comply with the following and submit the following documents to the Board for approval: (i) Complete four (4) copies of the "Request for Permission to Conduct Estate Sale" and three copies of "Estate Sale Inventory" (collectively, the "Forms"); (ii) give one (1) copy of each of the Forms to the Mutual President; (iii) give one (1) copy of "Request for Permission to Conduct Estate Sale" to the Golden Rain News, if advertising the sale in the News; (iv) give one (1) copy of "Request for Permission to Conduct Estate Sale" to the Security Department; (v) post a copy of "Estate Sale Inventory" at the place of sale; (vi) provide one (1) copy of a sales contract or agreement, relating to the sale of the Shareholder's Unit, to Mutual Representative; (vii) proof of Seal Beach Business License for person conducting sale of the Shareholder's Unit (business license not required if person conducting sale is an immediate family member). Person conducting sale must be present at sale site at all times during the estate sale; (viii) outside merchandise is not permitted; (ix) provide either of the following: (1) proof that a "Notice of Intention to Withdraw" form has been completed and submitted to the Stock Transfer Office and (2) For a deceased Qualifying Resident, a copy of a death certificate for a deceased Qualifying Resident or for a living resident, a document that certifies that living Qualifying Resident is in an assisted living facility and does not plan on returning to the unit.

ARTICLE XIII – VISITORS

Section 13. 1 – Visitors.

Pursuant to California Civil Code Section 51.3, a Qualifying Resident is permitted to have a visitor or visitors in their unit cumulatively for a maximum of up to sixty (60) days per twelve-month period.

Section 13.2 – Visitors Permitted.

Visitors are only permitted to visit while the Qualifying Resident is residing and present in the Unit. The Qualifying Resident may not vacate or be absent from the Unit and import others to be in the residence as a guest in the absence of the Qualifying Resident. If the visitor is sleeping in the Unit, both the visitor and Qualifying Resident must be present in the Unit.

A Qualifying Resident may allow a visitor to remain in the Unit during brief and temporary absences of the Qualifying Resident. The absence of the Qualifying Resident must be less than forty-eight (48) hours and is to be for a part of the visitor's stay. If the Qualifying Resident will be absent from the Unit for more than forty-eight (48) hours during a visitor's stay, or if the Qualifying Resident is deceased or incapacitated, then a request for a waiver must be directed to the Mutual Board.

Section 13.3 – Immediate/Collateral Family of Qualified Permanent Residents.
Pursuant to California Civil Code Section 51.3, the Mutual is a senior citizen housing development and from time to time, a Qualified Permanent Resident ("QPR"), as defined in said section, may become a resident in one of the Units. However, there is no provision in Civil Code Section 51.3 requiring that the Mutual permit immediate or collateral family of a QPR to also reside with the QPR. No member of any immediate or collateral family in any relationship with a QPR shall live with the QPR while such QPR resides with a Qualifying Resident as permitted under California Civil Code Section 51.3.

ARTICLE XIV – MISCELLANEOUS

Section 14.1 – Commercial Signs.
Commercial signs are prohibited in the Mutual, except a Shareholder is permitted to display one (1) "for sale" sign, advertising their Unit for sale, inside a window, as long as the sign has a white background, black or blue lettering, and does not exceed fifteen inches (15") by eighteen inches (18") in size.

Section 14.2 – Noncommercial Signs.
Noncommercial signs, posters, flags or banners may be displayed on a Shareholder's Unit, except as required for the protection of public health or safety, or if the posting would violate a local, state, or federal law.

A noncommercial sign, poster, flag, or banner may be made of paper, cardboard, cloth, plastic, or fabric, but may not be made of lights, roofing, siding, paving materials, flora, or balloons, or any other building, landscaping, or decorative component, including the painting of architectural surfaces.

Noncommercial signs or posters may not be larger than nine (9) square feet in size and noncommercial flags or banners may not be larger than fifteen (15) square feet in size.

Section 14.3 – Trash.
Trash and garbage, whether contained or not, may not be left outside of the Unit at any time.

Section 14.4 – Unit Pre-Sale Cleanup.
All Shareholders must comply with the terms of this Section 13.4 upon the sale of the Shareholder's Unit, whether due to the election of sale and/or the Qualifying Resident's demise.

14.4.1 If the Unit is to be sold, a "Notice of Intention to Withdraw" must be filed with the Stock Transfer Office in the Administration Building.

14.4.2 All trash must be removed from the Unit and porch area and disposed of in the trash bins located at the carports. All trash must be completely contained within these trash bins. Discarded items may not be left outside the trash bins. For large items that cannot be contained

within these trash bins, a large dumpster is located in the garden area at the northwest corner of Leisure World on Nassau Street (behind Mutual Nine).

14.4.3 Televisions, electronics, paint and other combustibles or chemicals may not be placed in any trash dumpster within Leisure World. Items of this type and liquids containing hazardous materials must be disposed of at a hazardous waste facility. Contact: Huntington Beach Hazardous Waste Collection Center at (714) 847-3581 for information (on Nichols Street, west of Beach Boulevard and south of Warner Avenue), or the Orange County Integrated Waste Management Department at (714) 834-6752.

14.4.4 Refrigerator must be emptied and washed inside and out, be turned off, and the doors propped open to vent and dry the interior. If the refrigerator doors are not propped open, the refrigerator must be left on.

14.4.5 All food products must be removed from the cupboards and disposed of properly.

14.4.6 Cook top must be cleaned, and grease or drippings removed from under the burners. Exhaust filter must be thoroughly washed or replaced. Replacement filters may be obtained through the GRF Purchasing Department located at the West end of Golden Rain Road.

14.4.7 Oven must be cleaned, and the grates and broiler pan/cover thoroughly washed.

14.4.8 Kitchen and bathroom countertops, sinks, tub, shower enclosures and toilets must be thoroughly cleaned.

14.4.9 Interior surfaces in Unit are to be cleaned, and the carpet vacuumed.

14.4.10 Only porch furniture may be left on the porch during this interim period.

14.4.11 Electricity must be left on during the sale period to allow the electric smoke detector system to remain operational.

14.4.12 Carport storage locker must be cleaned out and left unlocked.

Section 14.5 – Lockout Procedures.
In the event of the death of a Qualifying Resident or Shareholder, the Mutual must comply with the following procedures:

14.5.1 Death of Qualifying Resident with Surviving Shareholder/Qualifying Resident Living in the Unit. If there is a surviving Shareholder/Qualifying Resident occupying the Unit at the time of death of the Qualifying Resident, irrespective of whether the death occurred within

the Unit, in Leisure World, or elsewhere, Security will deliver the GRF Bereavement Workbook ("Bereavement Book") to the Unit.

14.5.2 Death of Sole Shareholder.

(i) Unattended Death. If the death of the sole Qualifying Resident/Shareholder is unattended – i.e., no other individuals are present at the time of death and the Unit is sealed per law enforcement or the Coroner order's, then no one, including without limitation, next of kin, trustees, Shareholders, visitors, guests, or registered caregivers, may access the Unit until otherwise directed by law enforcement or the Coroner. In the event that any individual desires to access the Unit, the Mutual reserves the right to prevent such entry pending further authorization from law enforcement or the Coroner. Security will place the Bereavement Book at the front of the Unit and reserve the right to place a knob lock on the door. If the door is unable to accommodate a knob lock, a plywood sheet may be affixed over the door.

(ii) Attended Death. If the death of the Qualifying Resident/Shareholder is attended, Security will complete a DOA Report, to identify all individuals present at the time of death. Security will deliver the Bereavement Book to the Unit. Security will instruct all individuals present, who identify themselves as having legal authority over the Unit, to visit the Stock Transfer Office, as soon as reasonably possible, in order to present evidence of the same. Security may also verify such legal authority. Notwithstanding the foregoing, Security will inform all persons present that no one may stay in the Unit overnight without Mutual permission, unless they are a Qualifying Resident, Qualified Permanent Resident, or registered Co-Occupant. Visitors and guests may request, from the Mutual Board, an emergency waiver to remain in the Unit for a limited period of time. If Security is unable to verify the party with legal authority over the Unit, all person's present will be asked to leave the Unit until legal authority is established at the Stock Transfer Office. From there, and until otherwise decided by the Stock Transfer Office, Security reserves the right to place a knob lock on, or affix a plywood sheet to, the door of the Unit.

14.5.3 Reporting of Death to Mutual Board. The Stock Transfer Office will report Qualifying Resident/Shareholder deaths to the Mutual Board within two (2) business days, and will include the following information, without limitation: (1) name of decedent; (2) date and location of death; (3) identification of persons present at Unit (if any); (4) name, relationship and contact information of surviving Qualifying Resident/Shareholder (if any); (5) name, relationship and contact information of decedent's emergency contacts (if any); (6) if legal authority has been established; (7) if/how the Unit was secured; and (8) if there are any registered Co-Occupants, caregivers or pets in the Unit.

Section 14.6 – Lock Resolution.

To allow the Mutual to enter a Unit in the absence of a Qualifying Resident and/or Shareholder, in the event an emergency shall arise where it is necessary for employees and agents of the Mutual to enter the Unit to protect property from further damage or to render emergency

service to the Qualifying Resident, all locking devices on any original entrance door to a Unit shall be master-keyed to the original keying system. Locking devices that have been installed which do not comply with the foregoing, must be removed at the expense of the Qualifying Resident and/or Shareholder or, as an alternative, a GRF lockbox with an approved red reflector strip attached, containing the apartment key, may be attached to a highly visible nearby location near the entry door, at a distance of no higher than six feet from the ground. In the event that a locking device does not meet the Mutual standard and the nature of the emergency makes it necessary to enter the Unit, agents and employees of the Mutual are authorized to obtain entrance by any reasonable means and the expense of repair, if any, shall be a charge to the Qualifying Resident and/or Shareholder.

Section 14.7 – Withdrawal Inspection.
Immediately upon the vacation of a Unit by the selling Shareholder, the Unit shall be inspected by the Mutual. The expense of any repair and maintenance to the Unit shall be paid from the withdrawal repair deposit of the selling Shareholder and any balance will be returned to the selling Shareholder.

Section 14.8 – Withdrawal Inspection Process Fee.
The Mutual will charge a fee of one thousand five hundred dollars ($1,500.00) for the inspection proves when a Share of Stock is listed for sale.

Section 14.9 – New Buyer Orientation.
The Stock Transfer Office will ensure that all standard procedures and documents are completed and verified in accordance with Mutual and GRF requirements. Also, ensure that a new buyer orientation will be performed by member(s) of the Board.

ARTICLE XV – PENALTIES, FINES & FEES

Section 15.1 – General Violations.
In order to enforce the Governing Documents and Rules and Regulations, the Mutual Board may levy, assess, and collect reasonable fines as established by the Board of Directors pursuant to these Rules and the Fine Schedule attached hereto as Exhibit “D” and incorporated herein. The fines will be assessed against the Shareholder for violations by the Shareholder, members of the Shareholder’s family, or the Shareholder’s guests, invitees, licensee, tenants or lessees, pursuant to the following policy:

15.1.1 Violations. If there is a violation of the Governing Documents, including the Occupancy Agreement or these Rules, any Shareholder may contact the Mutual Board or GRF, in order to report the alleged violation to the Mutual Board. Violation reports should be in writing and should describe the violation, identify the alleged violator, and identify the individual making the report. Please note that Shareholders do not have the right to remain anonymous when reporting an alleged violation. Upon receipt of a violation report, the Mutual Board will commence the enforcement process and determine whether a violation has occurred. The Mutual Board has complete discretion to decide

whether or not to take action on a written violation complaint and what action, if any, will be taken. The Mutual Board may investigate any reported violation in order to determine whether the alleged violation has potential merit and, if so, whether the violation warrants action by the Board. Violations may also be noted by members of the Mutual Board, GRF, and/or staff during regular walkthroughs of the Mutual.

15.1.2 Enforcement Procedures. The Mutual reserves the right to take legal action in order to enforce compliance with the Governing Documents at any stage in the enforcement process. Serious violations warranting immediate action may be forwarded to legal counsel with or without taking the steps outlined below. Violations which the Mutual Board decides to address internally will be dealt with as follows:

A. Upon determination that an alleged violation has potential merit, a courtesy notice (warning letter) may, in the discretion of the Mutual Board, be sent to the allegedly offending Qualifying Resident/Shareholder ("Respondent") identifying the violation and requesting compliance within a stated period of time. A courtesy notice is not required prior to calling Respondent to hearing.

B. The Mutual shall send a notice of hearing to the Respondent stating the nature of the alleged violation, referencing the specific provision of the Governing Documents which the Respondent is alleged to have violated, and inviting the Respondent to appear at a hearing before the Mutual Board to be held no sooner than fifteen (15) days from the date of the notice. The notice shall further advise the Respondent of his or her right to attend the hearing, submit a statement of defense to the Mutual Board in advance of the hearing or present a statement of defense and supporting witnesses at the hearing. If the Respondent does not attend the hearing, the Respondent waives these rights.

C. The Mutual Board shall conduct the hearing in executive session (unless requested otherwise by the Respondent) and shall afford the Respondent a reasonable opportunity to be heard.

D. If the Shareholder is found to be in violation of the Governing Documents following the hearing, the Mutual Board may do any of the following, as noted in the hearing notice:

    a. Impose a monetary fine against the Shareholder pursuant to the Fine Schedule.

    b. Levy a special reimbursement assessment against the Shareholder pursuant to the Governing Documents.

    b. Declare the Shareholder to be not in good standing as set forth in these Rules.

d. Suspend the Qualifying Resident/Shareholder's voting rights and/or rights to use the recreational facilities if and as provided in the Mutual Governing Documents.

e. Any combination of the above.

E. Any disciplinary action taken should be recorded in the minutes of the meeting at which the disciplinary action was taken by the Mutual Board. No action against the Respondent arising from the alleged violation may take effect before five (5) days after the hearing.

F. The Mutual Board shall provide the Shareholder with written notice of the outcome of the hearing and any disciplinary action taken by the Mutual Board within ten (10) days after the hearing. In the case of a continuing violation, the notice of hearing decision may include a notice of a continuing fine, if authorized by the Fine Schedule, or notice of a subsequent hearing on the same violation to be held no sooner than thirty (30) days from the original hearing date, unless the violation is sooner remedied.

G. Fines imposed by the Mutual Board after a hearing shall be due immediately upon notice of the hearing decision to the Owner. Special Assessments levied by the Mutual Board shall be due thirty (30) days from the date of the notice of hearing decision, or upon such other later date specified therein not to exceed sixty (60) days from the date of the notice.

15.1.3 Fine Schedule. The schedule of monetary penalties which the Mutual Board may impose for general violations in accordance with the above procedures is attached to these Rules as Exhibit "D". The Mutual Board reserves the right to revise the Fine Schedule at any time through a rule change procedure and the most recent Fine Schedule shall be distributed to the Shareholders on an annual basis. Fines for parking violations are not included in Exhibit "D" but, rather, are set forth below in Section 15.2.7 of these Rules.

Section 15.2 – Parking Violations.

Any Shareholder or Qualifying Resident charged with the violation (Violator) can pay the fine or the Violator has the right to contest the "rules violation" in writing to the Parking Rules Violations (PRV) panel within ten (10) business days of the date of the violation. If Shareholder provides written notice that he/she is contesting the violation, a hearing will be scheduled by the PRV of the Mutual. Violator may submit a response in writing within ten (10) business days of the violation to the PRV, if they are unable to attend the hearing. Shareholders will be notified in writing of the results of the hearing within fifteen (15) business days. Except that contractors will be adjudicated by the Facilities Director, Health Care Center (HCC) employees will be adjudicated by HCC management and GRF employees will be adjudicated by GRF Human Resources Department.

15.2.1 The written Rules Violation Notice ("Citation") serves as written notice of the violation and hearing (Civ. Code Section 5855). The following items will be set forth in the written Citation: (1) Description of violation, including time of violation and location and possible penalties (including possible monetary penalties); and (2) Hearing date, time, and location of Hearing.

15.2.2 The Notice Handout supplements the Citation and must contain the following: (1) The date, time, and place of the hearing; (2) The nature of the alleged violation (including the date/time and location) for which a Shareholder may be disciplined; (3) A statement that the Shareholder has a right to attend the hearing and present evidence.(Civ. Code Section 5855(b); (4) Notification that a failure to respond will acknowledge acceptance of the violation and the corresponding fine may be imposed; and (5) A section to indicate the need for an interpreter and the language requested. The PRV must be notified at least ten (10) business days prior to the hearing if the Shareholder will bring an interpreter.

15.2.3 A Shareholder may request one extension of the panel hearing under these following circumstances: (1) An extension of Hearing date at least 48 (forty-eight) hours prior to the scheduled PRV hearing with no explanation; (2) An extension for medical, health or family issues; (3) The written notification to the PRV panel that the Violator is bringing a lawyer. This will require a minimum 30-day extension to ensure Mutual attorney will be present; or (4) A second extension may be granted by the PRV.

15.2.4 The Shareholder has the right to examine and refute evidence. The photos may be viewed in the Security Office by appointment. The Security Department will have a representative present to explain all relevant information and evidence. This may include questions during the hearing. Shareholders also have the right to submit their defense in writing rather than make an appearance before the PRV. The Shareholder may bring an Observer or interpreter. The PRV panel hearing is a closed meeting. Hearings will be held in executive session. The Shareholder may request an open hearing. If the Shareholder does not appear at the scheduled hearing without prior notification to the PRV panel, this will be accepted as agreement by the Shareholder of the validity of the violation and the appropriate fine may be assessed.

15.2.5 The PRV panel shall make "findings" to support the panel's decision regarding the alleged violation. Findings may allow for vacating the citation. . Notice of the panel's decision must be given by first-class mail within 15 business days following the PRV's decision. The letter of decision shall include the PRV panel's findings.

15.2.6 The PRV panel will meet on the 4th Monday of each month at 9:00 a.m. in Administration Conference Room A. A second meeting will be scheduled if the volume of hearing requests is too large; in which case the panel will also meet on the 4th Wednesday at 1:00 p.m. in Conference Room B.

15.2.7 All violations of the Parking Rules as set forth in Article IV of these Rules and Regulations, may be assessed a monetary penalty in the following amounts:

(1) First Offense. The first offense may result in either a Fix-It citation, a Warning, a Fine or the vehicle being towed. See table below. A Fix-It citation provides the Qualifying Resident with thirty (30) days to correct the issue set forth in the Fix-It citation. The fine may be waived by the PRV panel.

(2) Additional citations may be issued after each 24-hour period.

(3) After the fourth RV or VUFR violation all RV or VUFR parking privileges are suspended for twelve (12) months beginning with the date of the fourth infraction.

Violation	**1st Offense**	**2nd and each subsequent and/or continuation of offense**
Assigned Parking Space or restricted parking Space.	**$25.00**	**$25.00**
Blocking Crosswalk	**$25.00**	**$25.00**
Expired or Invalid State Vehicle Registration (Fine will be waived on first offense if sticker and/or paperwork that was current at time of Citation is presented. The Security Services Director has the right to waive the first offence fine if needed paperwork is presented to them.)	**$50.00**	**$50.00**
Flat Tires	**Fix-It**	**$25.00**
"For Sale" sign on Vehicle	**$20.00**	**$20.00**
Handicap Parking without Placard or Handicap ID Displayed	**$100.00 (Fine will be waived on first offense if placard and/or paperwork that was current at time of Citation is presented. The Security Services Director has the right to waive the first offence fine if needed**	**$200.00**

	paperwork is presented to them.)	
Hazardous Materials Leaking	**$50.00**	**$50.00**
Limited Time Parking	**$20.00**	**$20.00**
Maintenance or Repair	**$25.00**	**$25.00**
No Valid GRF Vehicle Decal or Parking Permit Displayed	**$20.00**	**$20.00**
Parked on Sidewalk or Grass	**$25.00**	**$25.00**
Parked in RED Zone (Bus Stop)	**$25.00**	**$25.00**
Parked in RED Zone (Fire Hydrant)	**$100.00**	**$200.00**
Parked in RED Zone (Mail Box)	**$25.00**	**$25.00**
RV or VUFR – Generator Running 8pm-8am	**$50.00**	**$50.00**
RV or VUFR – Jack Support: None or Inadequate	**$50.00**	**$50.00**
RV or VUFR – Parked over seventy-two (72) hours on Trust Street	**$40.00**	**$40.00**
Washing any vehicle on Trust Property (except in designated Car Wash areas)	**$20.00**	**$20.00**
Washing a Non-Qualifying Resident Vehicle at Car Wash	**$20.00**	**$20.00**

Section 15.3 – Reporting Violations.

Any Qualifying Resident or Shareholder, including any director serving on the Mutual Board, may report violations by contacting Security or the Mutual Board. Such reports shall constitute a complaint and will be documented in writing to include the time, date, nature of violation, circumstances, and location and address of person or persons responsible. The complaint will be provided to the Mutual Board for review and, if necessary, enforcement action. Individuals reporting violations may not remain anonymous.

Section 15.4 – Enforcement Procedures.
In addition to the procedures and remedies set forth herein, the Mutual may take an action in law or in equity to recover damages, obtain injunctive relief, or obtain any other appropriate legal or equitable relief that may be available to the Mutual.

ARTICLE XVI – COLLECTION POLICY

Section 16.1 – Regular and Special Assessments.
Regular assessments are due and payable, in advance, on the first day of each month. If imposed, special assessments and reimbursement assessments shall be due and payable on the due date specified by the Mutual Board. Regular, special and reimbursement assessments (hereinafter collectively referred to as "Assessments"), interest, late charges, collection costs and reasonable attorney's fees, if any are imposed, are the personal obligation of the person who is the owner of the shares of stock associated with the Unit at the time when the assessment or other charge fell due.

Section 16.2 – Late Charges.
Assessments are delinquent ten (10) 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.

Section 16.3 – Interest.
An interest charge at a rate not to exceed twelve percent (12%) per annum will be assessed against any outstanding balance, including delinquent Assessments, late charges, and cost of collection, which may include attorney's fees. Such interest charges shall accrue thirty (30) days after the Assessment becomes due and shall continue to be assessed each month until the account is brought current.

Section 16.4 – Additional Charges, Costs and Attorney's Fees.
Pursuant to Civil Code Section 5650(b), the Mutual is entitled to recover reasonable collection costs. Such collection costs include, without limitation: All late charges, interest, attorney's fees, management costs, mailing costs, recording costs, publication costs and service costs. Such collection costs will become the liability of the delinquent Shareholder. It is the policy of the Mutual not to routinely waive any duly imposed collection costs. Please also note that returned checks may be subject to a service fee.

Section 16.5 – Application of Payments on Delinquent Assessments.
Payments received on delinquent Assessment accounts will be applied first to the Assessments owed, and then applied to collection costs, administration fees, attorney's fees, late charges, interest, and any other amount due to the Mutual in connection with collection of delinquent Assessments.

Section 16.6 –Special Assessment.
If a special Assessment is payable in installments and an installment payment of that special Assessment is delinquent for more than thirty (30) days, all installments will be accelerated, and the entire unpaid balance of the special Assessment shall become immediately due and payable. The remaining balance shall be subject to late charges, interest, costs of collection, and lien rights as provided herein.

Section 16.7 – Unlawful Detainer.
If the delinquent Shareholder does not bring the account current within thirty (30) days of notice of the delinquency, the Mutual can seek unlawful detainer and eviction pursuant to the terms of the Shareholder's Occupancy Agreement.

Section 16.8 – Partial Payments.
Any Assessment payments received from a delinquent Shareholder will be applied to that Shareholder's account. However, absent receipt of payment in full of all amounts due, the Mutual will proceed with any unlawful detainer action initiated against the Shareholder's separate interest, or the delinquent Shareholder personally, pursuant to and consistent with the requirements of California statutory and case law unless the payments are remitted pursuant to a written payment plan approved by the Mutual Board.

Section 16.9 – Lawsuit.
The Mutual may, at any time, determine to file a personal lawsuit against the delinquent Shareholder to recover all delinquent charges pursuant to relevant law. All costs and attorneys fee in connection with the lawsuit, in addition to the delinquent charges and other collection costs, will be sought from the delinquent Shareholder.

Section 16.10 – Attorney's Fees.
If a lawsuit or unlawful detainer action is initiated by the Mutual to recover Assessments, the Mutual is entitled to recover not only the amount in default, but also reasonable costs of collection, including title company charges and attorney's fees as provided for by statute, as well as the Mutual's Bylaws, the Shareholder's Occupancy Agreement, and/or other Governing Documents.

Section 16.11 – Suspend Privileges and Voting Rights.
The Board may, having provided the Shareholder with a Notice of Hearing pursuant to Civil Code Section 5855, suspend the common area privileges and voting rights of any Shareholder who is more than thirty (30) days delinquent in paying any Assessment. Common area privileges and voting rights will remain suspended until the delinquency, including any accumulated penalties, interest and costs of collection, has been paid in full.

Section 16.12 – Secondary Address.
Shareholders have a right to identify in writing to the Mutual a secondary address for purposes of, without limitation, collection notices delivered pursuant to this Article XV. Upon receipt of a

written request from a Shareholder identifying a secondary address, the Mutual shall send notices to that secondary address.

Section 16.13 – No Right of Offset.
There is no right of offset. A Shareholder may not withhold Assessments owed to the Mutual on the alleged grounds that the Shareholder would be entitled to recover money or damages from the Mutual based on some other obligation or some claim of another obligation.

Section 16.14 – Charges and Fees Subject to Change.
All charges and fees set forth in this Article XV are subject to change. Upon rule change notification to the Shareholders.

Section 16.15 – Dismissal of Action Upon Payment.
Within twenty-one (21) days of payment in full of all delinquent Assessments and charges, the attorney will dismiss the unlawful detainer action, and will provide the Shareholder with a copy of such dismissal.

Section 16.16 – Right to Receipt.
When a Shareholder makes a payment, the Shareholder may request a receipt and the Mutual shall provide same which shall indicate the date of payment and person who received such payment.

Section 16.17 – Overnight Payments.
Payments may be made by overnight mail to the following address: Leisure World, Attn: Cashier, Finance Office, P.O. Box 2069, Seal Beach, California 90740.

ARTICLE XVII – MAINTENANCE RESPONSIBILITY

Section 17.1 – Maintenance Responsibility.
The Mutual's Occupancy Agreement contain a provision related to maintenance, whereby the Mutual shall provide and pay for all necessary repairs, maintenance and replacements, except as specified in the Occupancy Agreement. Specifically, the Occupancy Agreement provides that should a Shareholder conduct any construction on his/her Unit, specifically, expansions or installation of permanent fixtures and appliances to the Unit, which become Mutual property when attached to the building, the Shareholder will be responsible for all such cots and will not seek any reimbursement from the Mutual and/or GRF.

In addition, all repairs, maintenance, or replacement of any cosmetic items, hardware, fixtures, and other non-standard additions and/or alterations (except permitted construction of interior and exterior walls, ceilings, and roofing) to the original Mutual building structure will be the responsibility of the Shareholder, and all charges and costs for the maintenance, repair or replacement of the same shall be paid by the Shareholder of that Unit.

Section 17.2 – Maintenance of Cosmetic and Non-Standard Additions/Alterations.
All cosmetic items and non-standard additions and/or alterations including, without limitation, all glass, etched or paned windows, non-standard doors, decorative non- standard windows/doors framing or molding, skylight domes, brick or other facing material, non-standard electrical fixtures and lights, all non-standard flooring including carpeting, wood flooring of any kind, counters made of non-standard materials, non-standard added appliances and plumbing fixtures, non-standard bathroom fixtures, and non- standard cabinetry, ceiling fans, heat pumps, wall heaters, and screens and windows in Patios shall be the maintenance responsibility of the Shareholder.

Section 17.3 – Standard Service Maintenance Repairs.
All standard Service Maintenance repairs are performed by the Mutual at no cost to the Shareholder, so long as such maintenance services are not a result of negligence on the part of the Shareholder. Such repairs include those which are necessary to maintain functionality of electricity, plumbing, and standard appliances.

Section 17.4 – Smoke Detectors.
The Mutual shall replace all standard smoke detectors and smoke detector batteries (the 10-year type) at no cost to the Shareholder. The Mutual will also replace all standard smoke detectors and batteries after the remodel of a Unit, except at the time of the construction when it is the Shareholder's cost.

Section 17.4 – One-Year Warranty.
Upon the resale or sale of the Unit, the existing Shareholder, shall obtain a one-year warranty on each non-standard appliance and provide all warranties in the escrow packet. The cost of said warranty shall be equally shared with the new Shareholder.

Section 17.5 – Payment of Standard Items.
Upon Shareholder request, the Mutual shall pay for fifty percent (50%) of the following standard items, so long as such items are over twenty (20) years old: countertops, ovens, cooktops, sinks, and toilets. This Section 17.5 will apply to any standard refrigerator after ten (10) years old. All other standard items (bath fans, shower doors, sinks, standard toilets, etc.) are replaced by the Mutual ONLY when they are non-functional and irreparable.

Section 17.6 – Hi-Boy Toilet.
The Mutual will pay for fifty percent (50%) of the cost of a Hi-Boy toilet cost when it is installed, based on the need of the Shareholder, in the Board's sole discretion.

Section 17.7 – Standard LED Light Fixture.
In the event of failure of a lighting ballast to the original bedroom/den soffit and kitchen light fixtures, a standard LED light fixture (supplied by the Purchasing Department) shall be installed at the Mutual's cost.

Section 17.8 – SmartBurners.
All Units shall have SmartBurners installed at the Mutual's cost. If the standard stove top is not present in the Unit, the Mutual will provide some other fire safety option, when reasonable. Deviation from a Mutual standard stove top requires: (1) approval from the Building Inspector in regard to fire safety; and (2) that Shareholder must return the full set of four SmartBurners to the Mutual. The Shareholder shall be responsible for replacement costs if any of the four SmartBurners are missing.

Section 17.9 – Personal Property Insurance.
All Shareholders must carry personal property insurance to cover the personal contents of their Unit, to cover any damage to their Unit for which they are responsible, and to cover any damage, for which they are responsible, to adjacent units. The GRF and the Mutual are not responsible for personal property, or damage to personal property stored or parked on the street or in the carport, such as vehicles and other property stored in or under the storage cabinets. All Shareholders shall obtain sufficient coverage for additional living expenses should the shareholder be unable to occupy their Unit while repairs are made to the Unit. Shareholder shall obtain personal liability insurance in an amount sufficient for the indemnification of other persons who may be injured on their property.

If Shareholder owns a pet, $300,000.00 in personal liability coverage is required. If shareholder does not own a pet, Shareholder shall obtain at least $200,000.00 in personal liability coverage. Shareholder should consider obtaining sufficient coverage to ensure the value of any artwork, jewelry, antiques or other items that would not normally be covered by an average policy for personal property.

ARTICLE XVIII – INTERNAL DISPUTE RESOLUTION

Section 18.1 – Basic Procedures.
This Article XVIII applies to a dispute between the Mutual and a Shareholder involving their respective rights, duties, or liabilities under the Davis-Stirling Act, the Corporation Law, or the Governing Documents. This Article XVIII supplements, and does not replace, the requirements of the Davis-Stirling Act relating to alternative dispute resolution as a prerequisite to an enforcement action. The following procedure shall apply to resolving a dispute by internal dispute resolution ("IDR"):

(1) IDR may be invoked by either the Mutual or a Shareholder.

(2) A request invoking IDR shall be in writing. The written request for IDR shall contain the following:

(A) A request for IDR pursuant to this Article 18.

(B) A brief description of the dispute between the parties.

(3) Upon receipt of a written request for IDR, the party receiving the request shall respond in writing to the other party within thirty (30) days, indicating whether such party agrees to engage in the IDR process. If the party receiving the request fails to respond within such thirty (30) day period, the request for IDR shall be deemed to be denied.

(A) If IDR is invoked by a Shareholder, the Mutual shall be required to participate in the IDR process.

(B) If IDR is invoked by the Mutual, the Shareholder may elect not to participate in the IDR process.

(4) Upon receipt of a written request for IDR, the Board shall designate at least two (2) Directors with whom the Shareholder may meet and confer.

(5) The Mutual and the Shareholder 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. Each party may be assisted by an attorney or another person at their own cost when conferring.

(6) Any IDR shall be considered to be confidential and may only be discussed in Executive Session.

Section 18.2 – Additional Procedures.
The Board may adopt additional procedures for the IDR process, so long as such procedures are fair, reasonable, and expeditious. Such procedures may include the use of available local dispute resolution programs involving a neutral third party, including low-cost mediation programs such as those listed on the Internet Web sites of the Department of Consumer Affairs and the United States Department of Housing and Urban Development.

Section 18.3 – Resolution Requirements.
(1) A resolution of the dispute agreed to by the Mutual and the all be memorialized in writing and signed by the parties, including the Board designee on behalf of the Mutual.

(2) A written agreement reached in the IDR process binds the parties and is judicially enforceable if it is signed by both parties and both of the following conditions are satisfied:

(A) The agreement is not in conflict with law or the Governing Documents.

(B) The agreement is either consistent with the authority granted by the Board to its designee or the agreement is ratified by the Board.

(3) If the dispute is resolved other than by agreement of the Shareholder, the Shareholder shall have a right of appeal to the board.

Section 18.4 – No Fee.
A Shareholder of the Mutual shall not be charged a fee to participate in the IDR process.

Exhibit “A”

Standardized Appliance List

REFRIGERATORS DESCRIPTION

Kenmore 46-60502 Top Freezer, 18.0-cu ft., White

Kenmore 46-60504 Top Freezer, 18.0-cu ft., Bisque Kenmore 46-60509 (special order)

Top Freezer, 18.0-cu ft., Black Whirlpool WRT318FZDW (alternate only)

Top Freezer, 18.2-cu ft., White Whirlpool WRB329DMBW (special order)

Bottom Freezer, 18.7-cu ft., White Whirlpool WRB329DMBB (special order)

Bottom Freezer, 18.7-cu ft., Black Whirlpool WRB329DMBM (special order)

Bottom Freezer, 18.7-cu ft., Stainless Steel

ELECTRIC OVENS

Sears Kenmore Brand White 22-49402 Black 22-49409

SS 22-49403

ELECTRIC COOKTOPS

Sears Kenmore Brand White 22-41202 Black 22-41209

SS 22-41203

WASTE DISPOSALS

Insinkerator, ¾ H.P. Pro Essential – PRO ES

KITCHEN FAUCETS

Delta #100-LF-HDL Without hose

Delta #300-DST With sprayer

BATHROOM FAUCETS

Delta B510LF

BATHROOM SHOWER FIXTURES

Delta Shower Head 59462 White

KITCHEN SINKS

Kohler K5950W White

Kohler K5950AAlmond

Kohler K5950BBisque

BATHROOM SINKS DESCRIPTION

Mansfield 249 4” Round – Bone and White

Mansfield 249 4” Oval – Bone and White

BATHROOM TOILET BOWLS & TANKS

Toto C715 #01 Bowl White Standard

Toto C715#03 Bowl Bone Standard

Toto C744 #01 Bowl White Hi-Boy

Toto C744 #03 Bowl Bone Hi-Boy

Toto ST743 #01 Tank White, 1.28gpf

Toto ST743 #03 Tank Bone, 1.28gpf

BATHROOM FAN/HEATER

Nutone Model 9965

WASHERS

Maytag Model MVW18PDAWW Top Load, Digital

Maytag Model MVW18CSAWW Top Load, Coin Slide WASHER

Maytag Model MHN30PD Front Load, Digital

Maytag Model MVW18MNAWW Top Load, Non-Coin

Whirlpool Model CAE2763BQTop Load, Coin Slide

Whirlpool Model CAE2793BQTop Load, Non-Coin

Speed Queen Model SWNBC2SP112TW01 Top Load, Digital, Stainless Tub

Speed Queen Model SWNBC2PP112TW01 Top Load, Digital, Porcelain

Tub Speed Queen Model SWNSX2SP112TW01 Top Load, Coin Slide, Stainless Tub

Speed Queen Model SWNSX2PP112TW01 Top Load, Coin Slide, Porcelain Tub

Speed Queen Model LWN432SP113TW01 Top Load, Non-Coin, Standard, No Electronics

DRYERS

Maytag Model MDE18CSAYW Coin Slide

Maytag Model MDE18MNAYW Non-Coin

Whirlpool Model CEM2763BQ Coin Slide

Speed Queen Model SDET07W Digital Speed Queen Model LDE30RGS173TW01 Non-Coin

ELECTRIC WATER HEATERS

30-Gallon 3000W, Low Boy American Standard E30L-2-12

40-Gallon 3000W, Low Boy American Standard E40L-2-12

50-Gallon 4500W, TallAmerican Standard E50T-6

WATER HEATER ALARMS

Model PWA 4NE49 Pro Series

Sonin Water Alarm with Dual Sensor Model 00702

SMOKE DETECTORS

BRK/First Alert, Hardwired, Battery Back-up Model 9120B

Kidde, Wireless, 10-year Battery Model i9010

Kidde, Hard-Wired, 10-year Battery Back-up Model i12010S

Exhibit

"B"

Approved Plants

(1) Daylily (Hemerocallis)

(2) Mexican Sage (Salvia Leucantha)

(3) 'Santa Barbara' Nandia "Gulfstream" (Nandina domestica 'Gulfstream')

(4) Marjorie Channon Pittosporum (Pittosporum tenuifolium 'Marjorie Channon')

(5) Nandina – Gulfstream (Nandina domestica 'Gulfstream')

(6) Duranta (Duranta spp.)

(7) Raphilolepis – pink lady (Raphiolepis indica 'Pink Lady')

(8) Heather - Mexican heather (Cuphea hyssopifolia)

(9) Agapanthus (common) (Agapanthus spp.)

(10) Holly Family (Ilex spp.)

(11) Fuchsia (Fuchsia magellanica)

(12) Hydrangea (Hydrangea macrophylla)

(13) Roses (Rosa spp.)

(14) Lily of the Nile (Agapanthus africanus)

(15) Verbena (Verbena spp.)

(16) Heavenly Bamboo (Nandina domestica)

(17) Lirirope (Liriope muscari)

(18) Pyracantha (Pyracantha coccinea)

(19) Cape Honeysuckle (Tecomaria capensis)

(20) Hot Lips Sage (Salvia microphylla 'Hot Lips')

(21) Lantana Little Lucky (Lantana camara 'Little Lucky')

(22) Heaven's Breath (Coleonema pulchellum (Pink Breath of Heaven))

(23) Blonde Ambition (Bouteloua gracilis 'Blonde Ambition')

(24) Statice Plant (Limonium perezii)

(25) Carrissa ‘Green Carpet (Carissa macrocarpa

(26) Echeveria (Echiveria spp.)

(27) Aloe (Aloe spp.)

(28) Kniphofia -Red Hot Poker (Kniphofia uvaria)

(29) Carex (Foothill Sedge) (Carex tumulicola)

(30) Pennisetium Fairy Tails (Pennisetum ‘Fairy Tails’)

(31) Pink Muhlygrass (Muhlenbergia capillaris)

(32) Euonymus Variegated (Euonymus variegate).

(33) Bromellaids

(34) Approved Annual and Perennial Flowering: (1) Impatiens – New Guinea (Impatiens hawkeri); (2) Vinca (Catheranthus roseus); (3) Zinnias; (4) Yarrows; (5) Sunflowers; (6) Sages; (7) Mallows; (8) Salvias; (9) Wild Canterbury Bells.

Approved Bushes:

Azaleas

Camellias

Gardenias

California Sage

Coyote Brush

Exhibit “B.1”

Approved California Bird, Butterfly and Bee Gardens Plants

Mutual Eight Personal Garden suggestions- after one-year, self-seeding begins, require minimal trimming, minimal water in summer and fall months.

Flowers and Small Shrubs:
Indian Mallow (abutilon palmeri) all colors
Common Yarrow (schillea Millefoluim)
Manzanita (Arctostaphylos)
California Lilac (Ceanthos)
Monkey Flower (dilacus mimulus)
California Fuchsia (Epilobium)
Seaside Daisy (Erigeron Glaucus)
Buckwheats (Erigonum) use as ground cover in off seasons, let go to flower.
Douglas Iris (ris Doublasiana)
Sage, Fragrant Pitcher (Lepechinin Frangans)
Coyote Mint (monardella)
Penstemon (many varieties)
Bladderpod (Peritoma Arboren)
California Wild Rose (Rosa Cali)
Salvia sage (many varieties)
Apricot Mallow (Pshearalcea Ambigua)
California Snowberry bush (Symphonicarpos)
Lilac Verbena (Verbenea Lilacina)
California Wildflowers
Milkweed (California Coastal Variety not midwestern or eastern type)

Medium Showy Trees:
Magnolia 'Little Gem'
Crape Myrtles (all of Myrtles)
Eastern and Western Redbuds (plum tree replacements)
Strawberry Trees (Arbutus Marina)
Manzanitas (Large and Mediums)
Grevilllea johnsonii
Hopseed

Shrubs:
Hopseed if trimmed
Indian Mallow
California Lilac
Large Trees:
Tipus, Tipuana
Mexican Sycamore
Chinese Elm
Modesto Ash
Fern Pine (Podocarpus gracilior)
Melaleuca (Podocarpus, varieties)
Desert Willows
Southern California Black Walnuts
Santa Cruz Island Ironwoods
Fruitless Mulberry
Toyon
Mexican Willow
California Coastal Scrub or Valley Oak

Exhibit "C"

Non-Approved Plants

(1) Asparagus Fern (Myer's Asparagus) Asparagus densiflorus, 'Myers' Cactus (Large) Cactus spp.

(2) Ivy Hedera helix

(3) Wild Mint Mentha arvensis

(4) Baby Tears Soleirolia soleirolii

(5) Citrus of any kind Citrus spp.

(6) Spiderwort Trandescantia virginiana

(7) Bamboo Bambusa vulgaris

(8) Fruit trees of any kind

(9) Bird of Paradise Strelitzia reginae

(10) Ficus Ficus spp.

(11) Palms

(12) Elephant Ears Colocasia esculenta

(13) Firestick Plant Euphorbia tirucalli

(14) Split Leaf Philodendron.

(15) Yucca family of plants

(16) Agaves

(17) Cactus (Cactus are only allowed in pots).

Exhibit “D”

Approved Trees

Small Showy Trees:

- Magnolia “Little Gem’
- Crape Myrtle, Melaleuca
- Eastern Redbud (Great replacement for Plum Trees)
- Arbutus Marina (Strawberry Tree)

Medium to Large Trees for Shade:

- Tipu
- Mexican Sycamore
- Chinese Elm
- Podocarpus gracilior (Fern Pine)
- African Tulip Tree
- Hong Kong Tulip
- California Oaks
- Fruitless Mulberry

Shrubs:

- Hopseed (Full Sun)
- Gardenias
- Camellias Azaleas

No fruit trees of any kind are permitted.

Exhibit "E"

Fine Schedule

Including, but not limited to property alterations and/or improvements made without approval, repair and upkeep of property, unauthorized signs, and all other violations of the Mutual's Governing Documents, except as otherwise set forth herein, may be assessed a monetary penalty in the following amounts:

Violation	**1st Offense**	**2nd and each subsequent and/or continuation of offense**
Residency/occupancy violations (e.g. unauthorized occupants, guests residing longer than permitted)	**Notice to Comply in 48 hours**	**Notice and hearing and fine of up to $500 and up to $100 per/day for each additional day of non-compliance, for a maximum of 20 days.**
Violation of Roof & Attic Access	**Notice and hearing and up to $1,000 and removal of unauthorized installation or non- compliant equipment if applicable**	
Violation of Mutual Occupancy Agreement & all other Rules & Regulations	**Written warning**	**Notice and hearing and fine of up to $100 and up to $100 per/day for each additional day of non-compliance, for a maximum of 20 days**

Note: Fines for the violations related to Carports and any parking violations are contained within the body of the rules and such schedules control as to those violations.