

NOVEMBER 2022

TO ALL MEMBERS OF MUTUAL 08:

Enclosed please find the 2023 Annual Budget Report and Annual Policy Statement for the Mutual 08 a non-profit Mutual Benefit Corporation organized and created pursuant to the California Corporations Code for the fiscal year beginning January 1, 2023.

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

**Mutual 08
c/o Golden Rain Foundation
P.O. Box 2069
Seal Beach, CA 90740**

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

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

Sincerely,

Mutual 08 Board of Directors

ANNUAL BUDGET REPORT¹

(Civil Code Section 5300)

After thoughtful review and consideration, the Board of Directors has approved a budget for the fiscal year ending December 31, 2023, which it believes is reasonable and prudent to meet the funding needs of the Mutual 08. The assessments will be increased to \$251.43 per unit, per month effective January 1, 2023. A copy of the budget is enclosed for your review.

In accordance with Civil Code Sections 5550(b)(5) and 5560 the Board has adopted the budget along with the reserve funding plan as recommended in the Reserve Study performed by Association Reserves. The reserve study has been performed pursuant to Civil Code Section 5565 for the major capital components. Mutual 08's reserves account will be funded through assessments. A summary of the reserve report is enclosed. Copies of the full reserve study plan are available upon request at the GRF Administration Building.

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

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

Component	Reason for Deferment
N/A	

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

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

348 Apartments	Average Monthly Per Apartment			Operating Budget In Dollars		
	2023	2022	Change	2023	2022	Change
Electricity	4.60	4.55	0.05	19,210	19,001	209
Telephone	0.05	0.04	0.01	209	167	42
Water	20.39	17.15	3.24	85,149	71,618	13,531
Trash	11.50	9.96	1.54	48,024	41,593	6,431
Total Utilities	36.54	31.70	4.84	152,592	132,379	20,213
Management Fee	0.00	0.56	(0.56)	0	2,339	(2,339)
Legal Fees	3.50	3.15	0.35	14,616	13,154	1,462
Investment Fees	0.00	0.00	0.00	0	0	0
Total Professional Fees	3.50	3.71	(0.21)	14,616	15,493	(877)
Janitorial Services	0.93	0.88	0.05	3,884	3,675	209
Landscape - Contract	33.74	32.97	0.77	140,898	137,683	3,215
Landscape - Extras	3.00	2.72	0.28	12,528	11,359	1,169
Landscape - Trees	3.94	3.50	0.44	16,453	14,616	1,837
Green Waste Bins	0.00	0.00	0.00	0	0	0
Painting	1.92	1.87	0.05	8,018	7,809	209
Pest Control	2.99	2.83	0.16	12,486	11,818	668
Structural Repairs	1.92	1.92	0.00	8,018	8,018	0
Miscellaneous Services	0.96	0.71	0.25	4,009	2,965	1,044
Escrow Expense	0.00	0.00	0.00	0	0	0
Standard Service	15.55	13.17	2.38	64,937	54,998	9,939
Total Services	64.95	60.57	4.38	271,231	252,941	18,290
State & Federal Taxes	1.42	0.41	1.01	5,930	1,712	4,218
Property & Liability Insurance	32.96	28.55	4.41	137,641	119,225	18,416
Total Taxes & Insurance	34.38	28.96	5.42	143,571	120,937	22,634
Operating Expenses	139.37	124.94	14.43	582,010	521,750	60,260
Income from Services						
Merchandise Sales	0.00	0.00	0.00	0	0	0
Laundry Machines	0.96	0.96	0.00	4,009	4,009	0
Total Services Income	0.96	0.96	0.00	4,009	4,009	0
Financial Income						
Interest Income	4.61	0.64	3.97	19,251	2,673	16,578
Interest Income Allocation	0.00	0.00	0.00	0	0	0
Gain/Loss on Investment	0.00	0.00	0.00	0	0	0
Late Charges	0.60	0.60	0.00	2,506	2,506	0
Inspection Fees	8.14	8.14	0.00	33,993	33,993	0
Miscellaneous	0.00	0.04	(0.04)	0	167	(167)
Parking Fines	0.00	0.00	0.00	0	0	0
Total Financial Income	13.35	9.42	3.93	55,750	39,339	16,411
Operating Income	14.31	10.38	3.93	59,759	43,348	16,411
Net Operating Cost	125.06	114.56	10.50	522,251	478,402	43,849
Reserve Funding	126.37	121.88	4.50	527,739	508,964	18,775
Total Mutual Costs	251.43	236.44	15.00	1,049,990	987,366	62,624
Allocated Trust Cost	193.23	172.03	21.20	806,928	718,397	88,531
Regular assessment	444.66	408.47	36.20	1,856,919	1,705,763	151,156

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

Assessment and Reserve Funding Disclosure Summary

Leisure World Seal Beach Mutual 8, Seal Beach

For Fiscal Year Beginning: 1/1/2023

of units: 348

1) Budgeted Amounts:	Total	Average Per Unit*
Reserve Contributions:	\$36,031.92	\$103.54
Total Assessment Income:	\$154,741.68	\$444.66

per: Month

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

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

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

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

Total: \$0.00

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

6) All computations/disclosures are based on the fiscal year start date of:	1/1/2023
Fully Funded Balance (based on formula defined in 5570(b)4):	\$3,722,930
Projected Reserve Fund Balance:	\$1,107,888
Percent Funded:	29.8 %
Reserve Deficit (surplus) on a mathematical avg-per-unit* basis:	\$7,514

From the 8/23/2022 Reserve Study by Association Reserves and any minor changes since that date.

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

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

Prepared by: Sean Andersen

Date: 11/17/2022

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

**Leisure World Seal Beach Mutual 8**

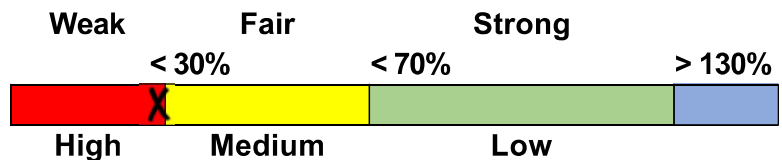
Seal Beach, CA

Level of Service: **Update "No-Site-Visit"**Report #: **29248-7**

of Units: 348

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

Projected Starting Reserve Balance	\$1,107,888
Current Full Funding Reserve Balance	\$3,722,930
Average Reserve Deficit (Surplus) Per Unit	\$7,514
Percent Funded	29.8 %
Recommended 2023 "Monthly Full Funding Contributions"	\$39,600
Alternate minimum contributions to keep Reserve above \$0	\$33,100
Most Recent Reserve Contribution Rate	\$35,041
Annual Deterioration Rate	\$387,276

Reserve Fund Strength: 29.8%**Risk of Special Assessment:****Economic Assumptions:**Net Annual "After Tax" Interest Earnings Accruing to Reserves **0.00 %**Annual Inflation Rate **3.00 %**

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

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

The Association is a Mutual community.

The Reserve Fund is just below the 30% funded level at 29.8 % funded, which is a weak position for the fund to be in. This means that the association's special assessment & deferred maintenance risk is currently high. The objective of this multi-year Funding Plan is to Fully Fund Reserves and ultimately achieve a position of strength in the fund, where associations enjoy a low risk of Reserve cash flow problems.

The Annual Deterioration rate for your Reserve Components is \$387,276.

Based on this starting point, your annual deterioration rate, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to increase your Reserve contributions to \$39,600.

*The Alternative Contribution rate, also called Baseline Funding will keep the Reserve Funds above \$0. This figure for your association is \$33,100.

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

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
Roofing Projects				
1303	(2023) Roofs & Gutters - Replace	30	0	\$440,000
1303	(2026) Roofs & Gutters - Replace	30	3	\$730,000
1303	(2050) Roofs & Gutters - Replace	30	27	\$1,200,000
1303	(2051) Roofs & Gutters - Replace	30	28	\$1,200,000
1303	(2052) Roofs & Gutters - Replace	30	29	\$440,000
1305	(2028) Carport Roofs - Replace	34	5	\$200,000
1305	(2029) Carport Roofs - Replace	35	6	\$250,000
1305	(2052) Carport Roofs - Replace	35	29	\$40,000
Buildings				
517	Bumper Rails - Replace/Repair	20	16	\$21,000
720	Meter Cabinet Doors - Replace	15	0	\$17,500
720	Small Utility Doors - Replace	15	0	\$12,000
720	WH & Laundry Doors - Replace	15	0	\$6,850
1140	Attic Screens - Replace	30	7	\$9,300
1407	Bldg & Carport Signage - Replace	18	0	\$11,000
Plumbing & Re-Pipe Projects				
811	Sewer Pipe - Replace	2	1	\$160,000
812	(2026) Dist Piping & W/H	40	3	\$210,000
812	(2027) Dist Piping & W/H	40	4	\$210,000
812	(2028) Dist Piping & W/H	40	5	\$210,000
812	(2029) Dist Piping & W/H	40	6	\$210,000
812	(2030) Dist Piping & W/H	40	7	\$210,000
812	(2031) Dist Piping & W/H	40	8	\$210,000
812	(2032) Dist Piping & W/H	40	9	\$260,000
Lighting Projects				
321	Pole Lights - Replace	30	5	\$105,500
324	Laundry Wall Lights - Replace	20	3	\$7,300
Laundry Facilities				
913	Laundry Sinks - Replace	30	7	\$7,050
Repair & Painting Projects				
1110	Interior Surfaces - Repaint	10	2	\$11,000
1113	Pole Lights - Repaint	5	0	\$10,550
1115	Res. Bldg Stucco - Repaint	10	6	\$210,000
1116	Res Bldgs Wood Surfaces - Repaint	5	4	\$104,000
1117	Carports - Repaint	10	1	\$110,000
1132	Wood Surfaces - Repair	5	1	\$24,500

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
Grounds & Miscellaneous				
104	Concrete - Repair	2	0	\$66,000
501	Trash Area Block Wall - Repair	20	8	\$27,500
1003	Irrigation Controllers - Replace	12	7	\$12,500
1010	Landscape - Emergency	10	2	\$17,500
1810	Storage Sheds - Replace	20	8	\$2,850
2220	Asphalt - Resurface	28	7	\$190,000
2230	Asphalt - Repair/Seal	4	2	\$14,500
Trees - Trim/Remove/Replace				
1020	Trees - Trim/Remove/Replace	1	0	\$4,300

39 Total Funded Components

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

Fiscal Year Start: 1/1/2023					Interest: 0.00 %		Inflation: 3.00 %		
Reserve Fund Strength: as-of Fiscal Year Start Date					Projected Reserve Balance Changes				
					% Increase				
Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	In Annual Reserve Funding	Reserve Funding	Loan or Special Assmts	Interest Income	Reserve Expenses
2023	\$1,107,888	\$3,722,930	29.8 %	High	2.83 %	\$432,383	\$0	\$0	\$568,200
2024	\$972,071	\$3,648,266	26.6 %	High	8.25 %	\$468,055	\$0	\$0	\$307,764
2025	\$1,132,362	\$3,851,578	29.4 %	High	8.25 %	\$506,669	\$0	\$0	\$120,200
2026	\$1,518,831	\$4,266,506	35.6 %	Medium	8.25 %	\$548,469	\$0	\$0	\$1,214,675
2027	\$852,625	\$3,579,267	23.8 %	High	8.25 %	\$593,718	\$0	\$0	\$432,533
2028	\$1,013,810	\$3,690,095	27.5 %	High	3.00 %	\$611,530	\$0	\$0	\$800,305
2029	\$825,035	\$3,438,912	24.0 %	High	3.00 %	\$629,876	\$0	\$0	\$930,525
2030	\$524,385	\$3,059,938	17.1 %	High	3.00 %	\$648,772	\$0	\$0	\$729,500
2031	\$443,657	\$2,890,941	15.3 %	High	3.00 %	\$668,235	\$0	\$0	\$393,522
2032	\$718,370	\$3,077,649	23.3 %	High	3.00 %	\$688,282	\$0	\$0	\$689,312
2033	\$717,340	\$2,980,453	24.1 %	High	3.00 %	\$708,930	\$0	\$0	\$128,142
2034	\$1,298,128	\$3,473,960	37.4 %	Medium	3.00 %	\$730,198	\$0	\$0	\$413,609
2035	\$1,614,718	\$3,704,324	43.6 %	Medium	3.00 %	\$752,104	\$0	\$0	\$140,865
2036	\$2,225,957	\$4,239,090	52.5 %	Medium	3.00 %	\$774,667	\$0	\$0	\$241,280
2037	\$2,759,344	\$4,703,534	58.7 %	Medium	3.00 %	\$797,907	\$0	\$0	\$285,577
2038	\$3,271,675	\$5,153,859	63.5 %	Medium	3.00 %	\$821,845	\$0	\$0	\$329,043
2039	\$3,764,477	\$5,591,024	67.3 %	Medium	3.00 %	\$846,500	\$0	\$0	\$522,813
2040	\$4,088,163	\$5,860,365	69.8 %	Medium	3.00 %	\$871,895	\$0	\$0	\$271,563
2041	\$4,688,495	\$6,415,777	73.1 %	Low	3.00 %	\$898,052	\$0	\$0	\$163,093
2042	\$5,423,454	\$7,119,355	76.2 %	Low	3.00 %	\$924,993	\$0	\$0	\$492,384
2043	\$5,856,063	\$7,525,243	77.8 %	Low	3.00 %	\$952,743	\$0	\$0	\$146,024
2044	\$6,662,782	\$8,321,042	80.1 %	Low	3.00 %	\$981,326	\$0	\$0	\$555,856
2045	\$7,088,252	\$8,740,202	81.1 %	Low	3.00 %	\$1,010,765	\$0	\$0	\$217,095
2046	\$7,881,922	\$9,543,123	82.6 %	Low	3.00 %	\$1,041,088	\$0	\$0	\$338,667
2047	\$8,584,343	\$10,267,841	83.6 %	Low	3.00 %	\$1,072,321	\$0	\$0	\$354,316
2048	\$9,302,348	\$11,021,800	84.4 %	Low	0.00 %	\$1,072,321	\$0	\$0	\$366,097
2049	\$10,008,572	\$11,810,569	84.7 %	Low	0.00 %	\$1,072,321	\$0	\$0	\$688,600
2050	\$10,392,293	\$12,315,880	84.4 %	Low	0.00 %	\$1,072,321	\$0	\$0	\$3,030,505
2051	\$8,434,110	\$10,449,996	80.7 %	Low	0.00 %	\$1,072,321	\$0	\$0	\$2,975,793
2052	\$6,530,637	\$8,611,069	75.8 %	Low	0.00 %	\$1,072,321	\$0	\$0	\$1,763,418

30-Year Income/Expense Detail

Report # 29248-7
No-Site-Visit

Fiscal Year	2023	2024	2025	2026	2027
Starting Reserve Balance	\$1,107,888	\$1,014,888	\$1,221,528	\$1,658,170	\$1,046,277
Annual Reserve Funding	\$475,200	\$514,404	\$556,842	\$602,782	\$652,511
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$0	\$0	\$0	\$0	\$0
Total Income	\$1,583,088	\$1,529,292	\$1,778,370	\$2,260,952	\$1,698,788
# Component					
Roofing Projects					
1303 (2023) Roofs & Gutters - Replace	\$440,000	\$0	\$0	\$0	\$0
1303 (2026) Roofs & Gutters - Replace	\$0	\$0	\$0	\$797,691	\$0
1303 (2050) Roofs & Gutters - Replace	\$0	\$0	\$0	\$0	\$0
1303 (2051) Roofs & Gutters - Replace	\$0	\$0	\$0	\$0	\$0
1303 (2052) Roofs & Gutters - Replace	\$0	\$0	\$0	\$0	\$0
1305 (2028) Carport Roofs - Replace	\$0	\$0	\$0	\$0	\$0
1305 (2029) Carport Roofs - Replace	\$0	\$0	\$0	\$0	\$0
1305 (2052) Carport Roofs - Replace	\$0	\$0	\$0	\$0	\$0
Buildings					
517 Bumper Rails - Replace/Repair	\$0	\$0	\$0	\$0	\$0
720 Meter Cabinet Doors - Replace	\$17,500	\$0	\$0	\$0	\$0
720 Small Utility Doors - Replace	\$12,000	\$0	\$0	\$0	\$0
720 WH & Laundry Doors - Replace	\$6,850	\$0	\$0	\$0	\$0
1140 Attic Screens - Replace	\$0	\$0	\$0	\$0	\$0
1407 Bldg & Carport Signage - Replace	\$11,000	\$0	\$0	\$0	\$0
Plumbing & Re-Pipe Projects					
811 Sewer Pipe - Replace	\$0	\$164,800	\$0	\$174,836	\$0
812 (2026) Dist Piping & W/H	\$0	\$0	\$0	\$229,473	\$0
812 (2027) Dist Piping & W/H	\$0	\$0	\$0	\$0	\$236,357
812 (2028) Dist Piping & W/H	\$0	\$0	\$0	\$0	\$0
812 (2029) Dist Piping & W/H	\$0	\$0	\$0	\$0	\$0
812 (2030) Dist Piping & W/H	\$0	\$0	\$0	\$0	\$0
812 (2031) Dist Piping & W/H	\$0	\$0	\$0	\$0	\$0
812 (2032) Dist Piping & W/H	\$0	\$0	\$0	\$0	\$0
Lighting Projects					
321 Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
324 Laundry Wall Lights - Replace	\$0	\$0	\$0	\$7,977	\$0
Laundry Facilities					
913 Laundry Sinks - Replace	\$0	\$0	\$0	\$0	\$0
Repair & Painting Projects					
1110 Interior Surfaces - Repaint	\$0	\$0	\$11,670	\$0	\$0
1113 Pole Lights - Repaint	\$10,550	\$0	\$0	\$0	\$0
1115 Res. Bldg Stucco - Repaint	\$0	\$0	\$0	\$0	\$0
1116 Res Bldgs Wood Surfaces - Repaint	\$0	\$0	\$0	\$0	\$117,053
1117 Carports - Repaint	\$0	\$113,300	\$0	\$0	\$0
1132 Wood Surfaces - Repair	\$0	\$25,235	\$0	\$0	\$0
Grounds & Miscellaneous					
104 Concrete - Repair	\$66,000	\$0	\$70,019	\$0	\$74,284
501 Trash Area Block Wall - Repair	\$0	\$0	\$0	\$0	\$0
1003 Irrigation Controllers - Replace	\$0	\$0	\$0	\$0	\$0
1010 Landscape - Emergency	\$0	\$0	\$18,566	\$0	\$0
1810 Storage Sheds - Replace	\$0	\$0	\$0	\$0	\$0
2220 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
2230 Asphalt - Repair/Seal	\$0	\$0	\$15,383	\$0	\$0
Trees - Trim/Remove/Replace					
1020 Trees - Trim/Remove/Replace	\$4,300	\$4,429	\$4,562	\$4,699	\$4,840
Total Expenses	\$568,200	\$307,764	\$120,200	\$1,214,675	\$432,533
Ending Reserve Balance	\$1,014,888	\$1,221,528	\$1,658,170	\$1,046,277	\$1,266,255

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

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

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

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

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

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

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

ANNUAL POLICY STATEMENT²
(Civil Code Section 5310)

1. CONTACT PERSON. The name and address of the person designated to receive official communications Mutual 08, pursuant to Civil Code Section 4035 shall be:

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

2. MULTIPLE ADDRESSES. Members may submit a written request to Mutual 08's Contact Person identified in Section 1 above to add or remove a second address for delivery of the following notices according to subdivision (b) of Section 4040 of the Civil Code:
- a. Annual Budget Report and Annual Policy Statement, as well as the Year-End Report (Article 7 of the Civil Code, commencing with Section 5300 of Chapter 6);
 - b. Notices regarding assessment payments and delinquencies (Article 2 of the Civil Code, commencing with Section 5650 of Chapter 8); and
 - c. Notices regarding a trustee's sale pursuant to Civil Code Section 5710.
3. NOTICE LOCATION. The location designated for posting of a general notice for the Mutual 08, pursuant to paragraph (3) of subdivision (a) of Section 4045 of the Civil Code shall be:

Laundry rooms of Mutual 08

4. NOTICE BY INDIVIDUAL DELIVERY. A member may submit a written request to the Association Contact Person to receive general notices by individual delivery, pursuant to subdivision (b) of Section 4045 of the Civil Code.
5. RIGHT TO RECEIVE COPIES OF MINUTES. Members have the right to obtain copies of board meeting minutes, pursuant to subdivision (b) of Section 4950 of the Civil Code, by contacting the Mutual's Contact Person and/or stopping by the GRF Administration offices during posted business hours. Minutes of the Mutual's regular meeting of the Board of Directors are posted in the laundry rooms of the Mutual. Copies of all minutes (except minutes of meetings in executive session), proposed minutes or summary minutes, as well as agendas for all open or executive session meetings can be obtained for a nominal fee from the Accounting Department in the Administration building.
6. RULES ENFORCEMENT POLICY: (pursuant to Section 5850 of the Civic Code)
All current Rules and Regulations can be located at the established website www.lwsb.com, click on Mutual 08 under Mutual section to access.
- a. If the Mutual adopts or has adopted a policy imposing any monetary penalty, including any fee, on any association member for a violation of the governing documents, including any monetary penalty relating to the activities of a guest or

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

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

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

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
Violation of Leasing Rules	Notice and hearing and fine of up to \$2,500.00	Notice and hearing and fine up to \$5,000.00
Violation of Leasing Rules- Lease for less than Thirty Days (Short Term Rental)	Notice and hearing and fine of up to \$5,000.00	Notice and hearing and fine of \$2,500.00 to \$7,500.00
Health and Safety Violations (e.g. bedbugs, fire-loading, e-gress violations et al.)	Written notice to comply in 10 days.	Written notice, hearing, and mandatory \$500 fine and \$100 per day noncompliance for up to 20 days.
Unauthorized Architectural and Improvement Violations	Written Notice to comply in 30 days.	Written notice, hearing, and mandatory \$1,000 fine and \$100 per day for up to 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.

8. Pursuant to Civil Code Section 5850, additional documents will be distributed if and when other fine schedules may be prepared and duly adopted by the Board.
9. PROCEDURES FOR REMODELING: The following is a summary of requirements for Mutual 08 approval of a physical change to property, pursuant to Section 4765 of the Civil Code:
 - a. Mutual residents are permitted to remodel their apartment within the parameters of their Occupancy Agreement and applicable Mutual policy. Remodeling common areas or apartments is permitted only with respective Mutual Board approval. Plans for remodeling and selected contractor names must be submitted to, and approved by, the respective Mutual Board of Directors prior to commencement of work.
 - b. Rules and Regulations **Article II - Architectural Guidelines** - Section 2.2 – GRF Permit for Building Alterations/Additions.
 - i. In order to conduct any construction for the alterations and/or additions in the Shareholder's Unit within the Mutual buildings, the Shareholder must submit an application for issuance of a building permit to the Physical Property Department and obtain a GRF 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.

BILLING AND COLLECTION PROCEDURES FOR THE MUTUAL 08 CORPORATION OF SEAL BEACH LEISURE WORLD

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

Article XVI – Collection Policy

Mutual Eight Rules and Regulations

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

all installments will be accelerated, and the entire unpaid balance of the special Assessment shall become immediately due and payable. The remaining balance shall be subject to late charges, interest, costs of collection, and lien rights as provided herein.

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

- 16. Right to Receipt.** When a Shareholder makes a payment, the Shareholder may request a receipt and the Mutual shall provide same which shall indicate the date of payment and person who received such payment.
- 17. Overnight Address.** 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.

NOTICE ASSESSMENTS AND FORECLOSURE

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

ASSESSMENTS AND FORECLOSURE

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

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

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

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

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

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

PAYMENTS

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

Seal Beach Mutual 08
P.O. Box 60017
City of Industry, CA 91716-0041

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

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

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

MEETINGS AND PAYMENT PLANS

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

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

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

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

INTERNAL DISPUTE RESOLUTION PROCEDURE

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

ARTICLE XVIII – INTERNAL DISPUTE RESOLUTION
MUTUAL EIGHT RULES AND REGULATIONS

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”):
 - a. IDR may be invoked by either the Mutual or a Shareholder.
 - b. A request invoking IDR shall be in writing. The written request for IDR shall contain the following:
 - i. A request for IDR pursuant to this Article 18.
 - ii. A brief description of the dispute between the parties.
 - c. 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.
 - i. If IDR is invoked by a Shareholder, the Mutual shall be required to participate in the IDR process.
 - ii. If IDR is invoked by the Mutual, the Shareholder may elect not to participate in the IDR process.
 - d. 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.
 - e. 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.
 - f. Any IDR shall be considered to be confidential and may only be discussed in Executive Session

ALTERNATIVE DISPUTE RESOLUTION

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

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

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

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

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

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

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

Property Address: _____

Owner (Shareholder) of Property: _____

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

Provider of the Section 4525 Items:

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

Date Form Completed: _____, 20____

Check or Complete Applicable Column or Columns Below:

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

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

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

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

Request for Annual Notice of Address, Representative and Rental Status

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

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

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

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

4. Is the separate interest --

☐ Owner-occupied?

☐ Rented out?

☐ Developed, but vacant?

☐ Undeveloped?

5. Member Name

Property Address

6. Return form to:

ELECTRONIC CONSENT FORM

SEAL BEACH MUTUAL NO. EIGHT

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

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

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

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

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

- Email(s): _____

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

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

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

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

SHAREHOLDER(S):

Date: _____

Signed: _____

Print Name: _____

Date: _____

Signed: _____

Print Name: _____