

NOVEMBER 2023

TO ALL MEMBERS OF MUTUAL 12:

Enclosed please find the 2024 Annual Budget Report and Annual Policy Statement for the Mutual 12 a non-profit Mutual Benefit Corporation organized and created pursuant to the California Corporations Code for the fiscal year beginning January 1, 2024.

In the accompanying pages are summaries of the 2024 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 12
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 12
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, 2024, which it believes is reasonable and prudent to meet the funding needs of the Mutual 12. The assessments will be increased to \$277.58 per unit, per month effective January 1, 2024. 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 12'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 Twelve
Operating Budget
2024**

		Monthly		Change	Annual
		2023	2024		2024
	Assessments	\$122,614.04	\$125,465.08	\$2,851.04	\$1,505,581.00
5375000	Laundry Income		\$875.00	\$875.00	\$10,500.00
	Interest Income	\$1,437.36	\$4,382.00	\$2,944.64	\$52,584.00
5398100	Interest Income Allocation	-\$1,084.80	-\$3,111.50	-\$2,026.70	-\$37,338.00
5610000	Late Charges	\$36.16	\$135.42	\$99.26	\$1,625.00
	Other Taxable Income		\$166.67	\$166.67	\$2,000.00
5921000	Inspection Fees	\$2,915.40	\$2,750.00	-\$165.40	\$33,000.00

TOTAL INCOME

\$125,918.16	\$130,662.67	\$4,744.51	\$1,567,952.00
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6420000	Electricity	\$2,400.12	\$2,750.00	\$349.88	\$33,000.00
6421000	Telephone		\$0.00	\$0.00	
6423000	Water	\$9,216.28	\$7,501.58	-\$1,714.70	\$90,019.00
6424000	Trash	\$5,198.00	\$5,116.00	-\$82.00	\$61,392.00
6434000	Legal Fees	\$1,749.24	\$2,083.33	\$334.09	\$25,000.00
6475000	Landscape - Contract	\$10,933.88	\$11,483.33	\$549.45	\$137,800.00
6475500	Landscape - Extras	\$1,333.40	\$1,333.33	-\$0.07	\$16,000.00
6475505	Landscape - Trees	\$1,414.76	\$1,783.33	\$368.57	\$21,400.00
6477100	Painting	\$375.16	\$166.67	-\$208.49	\$2,000.00
6477200	Pest Control	\$1,437.36	\$1,558.33	\$120.97	\$18,700.00
6477300	Structural Repairs	\$1,835.12	\$1,833.33	-\$1.79	\$22,000.00
6477400	Miscellaneous Services	\$415.84	\$500.00	\$84.16	\$6,000.00
7552000	Standard Service	\$6,106.52	\$5,000.00	-\$1,106.52	\$60,000.00
6720000	State & Federal Taxes	\$99.44	\$1,629.67	\$1,530.23	\$19,556.00
6730000	Property & Liability Insurance	\$14,897.92	\$15,251.17	\$353.25	\$183,014.00
	Reserve Contribution	\$68,507.07	\$72,672.58	\$4,165.51	\$872,071.00
	Capital Contribution		\$0.00	\$0.00	

TOTAL EXPENSES

\$125,920.11	\$130,662.67	\$4,742.56	\$1,567,952.00
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Mutual Assessments

\$271.27	\$277.58	\$6.31
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GRF Assessments

\$193.23	\$20.02	\$213.25
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TOTAL**

\$464.50	\$297.60	\$219.56
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**Property taxes are assessed to the stockholder's unit and are added to the regular assessment and become part of the monthly payment. Accordingly, they are excluded from the operating budget.

**Seal Beach Mutual Twelve
Operating Budget
2024**

		Monthly		Change	Annual
		2023	2024		2024
	Reserve Contribution	\$68,507.07	\$72,672.58	\$4,165.51	\$872,071.00
	Appliance	\$5,003.00	\$5,785.75	\$782.75	\$69,429.00
	Painting	\$4,050.00	\$4,245.33	\$195.33	\$50,944.00
	Roofing	\$23,180.00	\$23,391.00	\$211.00	\$280,692.00
	Infrastructure	\$36,273.00	39250.5	\$2,977.50	\$471,006.00
	*Contingency	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL ALLOCATION		\$68,506.00	\$72,672.58	\$4,166.58	\$872,071.00

	Useful Life		2024 Rem. Useful Life		Estimated Replacement Cost in 2024	2024 Expenditures	01/01/2024 Current Fund Balance	01/01/2024 Fully Funded Balance	Remaining Bal. to be Funded	2024 Contributions
	Min	Max	Min	Max						
Appliances	1	1	0	0	\$56,000	\$56,000	\$56,000	\$56,000	\$0	\$69,429
Infrastructure	1	50	0	27	\$3,319,950	\$924,000	\$1,199,937	\$2,841,505	\$2,120,013	\$460,176
Painting Projects	10	10	1	3	\$410,900	\$0	\$17,010	\$301,110	\$393,890	\$50,944
Roofing	25	25	3	24	\$5,660,000	\$0	\$0	\$1,048,800	\$5,660,000	\$280,692
					\$9,446,850	\$980,000	\$1,272,947	\$4,247,415	\$8,173,903	\$861,240

Percent Funded: 30.0%

Assessment and Reserve Funding Disclosure Summary

Leisure World Seal Beach Mutual 12, Seal Beach

For Fiscal Year Beginning: 1/1/2024

of units: 452

1) Budgeted Amounts:	Total	Average Per Unit*
Reserve Contributions:	\$72,672.58	\$160.78
Total Assessment Income:	\$125,465.08	\$277.58

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:	1/1/2024
Fully Funded Balance (based on formula defined in 5570(b)4):	\$4,247,415
Projected Reserve Fund Balance:	\$1,272,947
Percent Funded:	30.0 %
Reserve Deficit (surplus) on a mathematical avg-per-unit* basis:	\$6,581

From the 9/13/2023 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: Sabrina Willison

Date: 11/9/2023

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.

30-Year Reserve Plan Starting with Board of Directors 2024 Rate

22257-12

Fiscal Year Start: 1/1/2024					Interest: 3.00 %		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
2024	\$1,272,947	\$4,247,415	30.0 %	High	6.08 %	\$872,071	\$0	\$37,077	\$980,000
2025	\$1,202,094	\$4,073,520	29.5 %	High	0.00 %	\$872,071	\$0	\$32,306	\$1,151,952
2026	\$954,520	\$2,889,946	33.0 %	Medium	2.00 %	\$889,512	\$0	\$34,943	\$500,904
2027	\$1,378,071	\$3,184,950	43.3 %	Medium	2.00 %	\$907,303	\$0	\$32,714	\$1,512,334
2028	\$805,753	\$2,468,757	32.6 %	Medium	2.00 %	\$925,449	\$0	\$32,557	\$396,179
2029	\$1,367,580	\$2,903,097	47.1 %	Medium	2.00 %	\$943,958	\$0	\$50,152	\$381,401
2030	\$1,980,288	\$3,388,738	58.4 %	Medium	2.00 %	\$962,837	\$0	\$69,173	\$374,932
2031	\$2,637,366	\$3,919,354	67.3 %	Medium	2.00 %	\$982,094	\$0	\$89,281	\$386,180
2032	\$3,322,559	\$4,478,756	74.2 %	Low	2.00 %	\$1,001,735	\$0	\$109,714	\$432,602
2033	\$4,001,407	\$5,032,314	79.5 %	Low	2.00 %	\$1,021,770	\$0	\$131,015	\$409,699
2034	\$4,744,493	\$5,652,013	83.9 %	Low	2.00 %	\$1,042,206	\$0	\$153,741	\$421,990
2035	\$5,518,450	\$6,304,364	87.5 %	Low	2.00 %	\$1,063,050	\$0	\$173,008	\$723,816
2036	\$6,030,691	\$6,692,928	90.1 %	Low	2.00 %	\$1,084,311	\$0	\$189,682	\$673,173
2037	\$6,631,511	\$7,173,660	92.4 %	Low	2.00 %	\$1,105,997	\$0	\$200,690	\$1,172,624
2038	\$6,765,574	\$7,183,579	94.2 %	Low	2.00 %	\$1,128,117	\$0	\$215,715	\$474,953
2039	\$7,634,452	\$7,942,471	96.1 %	Low	2.00 %	\$1,150,679	\$0	\$235,019	\$965,940
2040	\$8,054,210	\$8,249,392	97.6 %	Low	2.00 %	\$1,173,693	\$0	\$252,100	\$705,268
2041	\$8,774,735	\$8,865,919	99.0 %	Low	2.00 %	\$1,197,167	\$0	\$277,206	\$518,994
2042	\$9,730,113	\$9,725,668	100.0 %	Low	2.00 %	\$1,221,110	\$0	\$302,094	\$817,168
2043	\$10,436,148	\$10,337,941	100.9 %	Low	2.00 %	\$1,245,532	\$0	\$327,933	\$554,634
2044	\$11,454,979	\$11,273,858	101.6 %	Low	2.00 %	\$1,270,443	\$0	\$309,669	\$3,818,119
2045	\$9,216,972	\$8,912,374	103.4 %	Low	2.00 %	\$1,295,852	\$0	\$290,632	\$619,292
2046	\$10,184,164	\$9,811,826	103.8 %	Low	2.00 %	\$1,321,769	\$0	\$316,104	\$904,688
2047	\$10,917,348	\$10,482,402	104.1 %	Low	2.00 %	\$1,348,204	\$0	\$282,437	\$4,611,285
2048	\$7,936,704	\$7,394,543	107.3 %	Low	2.00 %	\$1,375,168	\$0	\$199,126	\$4,155,031
2049	\$5,355,967	\$4,724,408	113.4 %	Low	2.00 %	\$1,402,671	\$0	\$174,240	\$657,446
2050	\$6,275,432	\$5,618,312	111.7 %	Low	2.00 %	\$1,430,725	\$0	\$202,333	\$677,170
2051	\$7,231,321	\$6,561,599	110.2 %	Low	2.00 %	\$1,459,339	\$0	\$227,142	\$986,252
2052	\$7,931,550	\$7,258,996	109.3 %	Low	2.00 %	\$1,488,526	\$0	\$229,036	\$2,291,360
2053	\$7,357,753	\$6,678,546	110.2 %	Low	2.00 %	\$1,518,297	\$0	\$235,630	\$739,962

**Leisure World Seal Beach Mutual 12**

Seal Beach, CA

Level of Service: **Update "With-Site-Visit"**Report #: **22257-12**

of Units: 452

January 1, 2024 through December 31, 2024**Findings & Recommendations****as of January 1, 2024**

Projected Starting Reserve Balance	\$1,272,947
Current Full Funding Reserve Balance	\$4,247,415
Average Reserve Deficit (Surplus) Per Unit	\$6,581
Percent Funded	30.0 %
Recommended 2024 "Monthly Full Funding Contributions"	\$71,770
Alternate minimum contributions to keep Reserve above \$0	\$63,300
Most Recent Reserve Contribution Rate	\$68,507
Annual Deterioration Rate	\$694,658

Reserve Fund Strength: 30.0%**Weak****Fair****Strong**

< 30%

< 70%

> 130%

**Risk of Special Assessment:****High****Medium****Low****Economic Assumptions:**Net Annual "After Tax" Interest Earnings Accruing to Reserves **3.00 %**Annual Inflation Rate **3.00 %**

This is an Update "With-Site-Visit", and is based on a prior Report prepared by Association Reserves for your 2023 Fiscal Year. We performed the site inspection on 7/14/2023.

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

The Association is a Mutual association.

The Reserve Fund is at 30.0 % Funded, which is a weak position for the fund to be in. This means that the mutual's special assessment & deferred maintenance risk is currently high. The objective of your multi-year Funding Plan is to Fully Fund Reserves and ultimately achieve a position of strength in the fund, where the mutual will enjoy a low risk of Reserve cash flow problems.

The Annual Deterioration rate for your Reserve Components is \$694,658.

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 \$71,770.

*The Alternative Contribution rate, also called Baseline Funding will keep the Reserve Funds above \$0. This figure for your mutual is \$63,300.

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



Executive Summary Table

Report # 22257-12
With-Site-Visit

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
Appliances				
3320	Appliances - Replace	1	0	\$56,000
Infrastructure				
2100	Concrete Walkways - Repair/Replace	1	0	\$28,000
2260	Concrete Swales - Replace	10	2	\$15,500
2270	Carport Concrete - Repair	5	3	\$27,500
2272	(2024) Asphalt to Concrete	50	0	\$360,000
2272	(2025) Asphalt to Concrete	50	1	\$418,000
2272	(2027) Asphalt to Concrete	50	3	\$408,000
2272	(2028) Asphalt to Concrete	50	4	\$408,000
2272	Asphalt to Concrete - Install	50	1	\$280,000
2480	Gutter System - Replace	30	11	\$190,000
2520	Wood Surfaces - Repair	1	0	\$55,000
2640	Laundry Doors - Replace	25	5	\$15,000
2725	Building Signage	10	2	\$10,650
4570	(2024) Water Heaters - Replace	15	0	\$306,000
4570	(2025) Water Heater - Replace	15	1	\$87,500
4570	(2027) Water Heater - Replace	15	3	\$87,500
4570	(2037) Water Heater - Replace	15	13	\$62,000
4595	Re-Line Sewers & Plumbing - Repair	1	0	\$145,000
5010	Walkway Pole Lights - Replace	24	18	\$51,000
5501	Block Walls - Repair	10	2	\$35,000
6100	Metal Park Benches - Replace	20	19	\$2,300
6310	Gazebo Structure - Refurb	25	24	\$30,000
6900	Irrigation Controllers - Replace	12	4	\$38,000
6962	Meter Cabinets - Replace	30	27	\$62,000
6963	Telephone Doors - Replace	30	27	\$8,000
6964	Attic Doors - Replace	30	27	\$60,000
6970	Zinsco Electrical Panels - Replace	1	0	\$30,000
7010	Landscape - Refurbish	10	3	\$100,000
Painting Projects				
2300	Stucco - Repaint	10	3	\$295,000
2310	Wood Surfaces - Repaint	10	2	\$97,000
2330	Laundry Interior Surfaces - Repaint	10	1	\$18,900
Roofing				
2425	(2027) Carport Flat Roof - Replace	25	3	\$560,000
2450	(2044) Comp Shingle Roof - Replace	25	20	\$1,800,000
2450	(2047) Comp Shingle Roof - Replace	25	23	\$1,600,000

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
2450	(2048) Comp Shingle Roof - Replace	25	24	\$1,700,000
35 Total Funded Components				

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

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 12, pursuant to Civil Code Section 4035 shall be:

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

2. MULTIPLE ADDRESSES. Members may submit a written request to Mutual 12'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 12, pursuant to paragraph (3) of subdivision (a) of Section 4045 of the Civil Code shall be:

Laundry rooms of Mutual 12

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 12 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 Rule 12-7585-1 Governing Documents Compliance Corrective Measure and Fines.
- a. The Fine Schedule may be imposed after or concurrent with notice and opportunity for hearing, and the Board of Directors, or committee appointed by the Board, in its discretion, has determined that a resident shareholder is non-compliant with or has violated the "Governing Documents". Except that fines for carport or common area traffic violations will be imposed in accordance with Mutual Twelve Rule 12-7501-1 Carport Regulations, Common Area Traffic and Fines.
 - b. **Notice of Violation:** Warning or Fine of \$100.00
 - c. Continuing noncompliance will result in further fines of \$50.00 for each day the violation continues. Invoices for fines are due and payable immediately
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 12 approval of a physical change to property, pursuant to Section 4765 of the Civil Code:
- a. Mutual residents are permitted to remodel their apartment within the parameters of their Occupancy Agreement and applicable Mutual policy. Remodeling common areas or apartments is permitted only with respective Mutual Board approval. Plans for remodeling and selected contractor names must be submitted to, and approved by, the respective Mutual Board of Directors prior to commencement of work.
 - b. Rule 12-7480-1 Architectural Standards.

SEAL BEACH MUTUAL NO. TWELVE**Physical Property****Architectural Standards**

Civil Code §4760 explains the shareholder's right to improve or modify their separate interest subject to the governing documents, applicable law and issues of structural and mechanical integrity as well as support of any portions of the common interest development. Explanation of Mutual Twelve's review procedures outlined in §4765 appears below

1. REQUIREMENTS AND LOCATION IN GOVERNING DOCUMENTS

- 1.1.** You must obtain architectural approval for any change in the exterior of your unit, any structural alterations to the interior and plumbing or electrical alterations or any change in the common area. Most architectural provisions are included in the 7400 PHYSICAL PROPERTY Section of the 7000 SERIES POLICIES, RULES AND REGULATIONS. See also 12-7502-1, 12-7507-1, 12-7572-1, and 12-7574-1 in the 7500 SHAREHOLDER REGULATIONS Section. These policies are available at www.lwsb.com, the Leisure World Library or from a Mutual Twelve Director.
- 1.2.** **The Member shall not, without the written consent of the Corporation, make any structural alterations in the premises, or in the water, gas or steam pipes, electrical conduits, plumbing or other fixtures connected therewith, or remove any additions, improvements, or fixtures from the premises.** (Occupancy Agreement, Article 12). "Premises include your unit and the common area.

2. PROCEDURES

- 2.1.** Small alterations, for example changing a garden border from concrete scallops to brick, require only written Board approval on the Form 12-7480.1-4 – Architectural Standards Form. Any significant change or addition requires a GOLDEN RAIN FOUNDATION BUILDING PERMIT.
- 2.2.** Typically, the Member engages a contractor who has complied with or complies with the GRF CONTRACTOR REQUIREMENTS. The contractor submits plans to the Mutual's GRF Building Inspector. The permit is then prepared and, after approval, signed by the designated Mutual Director, the Owner/Member, the Contractor and the GRF Building Inspector. The Contractor, if required, will obtain City permits. Approval of GOLDEN RAIN FOUNDATION BUILDING PERMIT does not constitute approval by the City, nor does approval by the City constitute approval by GOLDEN RAIN FOUNDATION. No work of any kind that requires a GRF or Mutual Building Permit may be commenced anywhere in Mutual Twelve until said permit has been fully executed and posted fully visible from the exterior. Non-compliance may result in immediate shut down of the job.

(May 2016)

SEAL BEACH MUTUAL NO. TWELVE**Physical Property****Architectural Standards**

- 2.3. Permits for any construction work valued at more than \$10,000 to be performed in Mutual Twelve shall require a Performance Bond that shall provide sufficient funds to Mutual Twelve to complete that work in the event it is not completed by the date stated in the permit for any reason, if
 - 2.3.1. The contractor is not listed on the GRF Physical Property List of Approved Contractors, and
 - 2.3.2. The contractor has not been completing more than \$100,000 in contracts in Leisure World, Seal Beach per year for the last three years.
- 2.4. The Owner/Member and the Mutual Director sign the NOTICE TO RESIDENT OF AGREEMENT section of the permit that informs the Owner/Member that they and any successors are totally responsible for the alteration and its maintenance. The Contractor and Building Inspector sign the section that details Contractor responsibilities.
- 2.5. Mutual Twelve will, whenever practicable, sign permits where there are established precedents for the work to be performed within one week of the Building Inspector's approval. Unless circumstances cause further delay, decisions on contracts where there are special considerations including, but not limited to, those described in Procedure 12-7411-3 – New Plan Concepts and Changes will be made by the next Regular Monthly Meeting of the Mutual Twelve Board of Directors that occurs after that one-week period.
- 2.6. If an application for an alteration is not approved, the reason for disapproval and the maximum time for response or, if required, request for reconsideration shall be provided to the owner/members within ten days. The Owner/Member's rights if a proposed change is disapproved are located in California Civil Code §4765.
- 2.7. Once all requirements have been met, the contractor must display the GOLDEN RAIN FOUNDATION BUILDING PERMIT on the unit in a prominent location visible to passersby. Timely completion and approval are expected on all aspects of the alteration. Rule 12-7403-1 – Building Alterations or Additions as amended and updated explains expectations and penalties.

3. ATTACHMENT**3.1.1. Golden Rain Foundation Building Permit**

(See Mutual Twelve Board Approval Form 12-7480.1-4)

Architectural Standards

**GOLDEN RAIN FOUNDATION
BUILDING PERMIT**

Permit: # _____

Fee: \$ _____

START DATE _____ MUTUAL _____ APT NO _____

COMPLETION DATE _____ TODAY'S DATE _____

RESIDENT NAME _____ ADDRESS _____

NATURE OF ALTERATION:

(Per Building Mutual Standards)

Do not change or add to the above-specified alterations without proper written approval and change order from the Physical Property Office.

NOTICE TO RESIDENT OF AGREEMENT

This represents your official Building Permit. When you receive this permit, place it in a conspicuous location in or at your unit. No alteration may be started until this permit is posted. Do not remove this permit until final inspections are completed.

I, _____, Owner/Member of the above apartment do hereby agree to bear the expense of the above alterations and, in the event of vacating this apartment, this alteration shall thereupon remain as part of the building.

I agree all work will comply with Foundation and Mutual Corporation policies, regulations and procedures. During my occupancy of this apartment, I will be free to use and enjoy the alteration within the framework of the Occupancy Agreement.

I also agree to be personally responsible for the repair and maintenance of the alteration, and authorize, in the event of my failure to perform, the Mutual Corporation to perform repairs or maintenance upon the alteration even though part of the alteration which has been authorized may be exterior to use interior surfaces of the perimeter walls, floors, and ceiling of the dwelling unit.

Further, I agree that I will personally maintenance the alteration and, in the event of my failure, after reasonable notice from the Mutual Corporation in the event that the Mutual Corporation performs any repairs or maintenance upon the alteration. I will immediate pay the Mutual Corporation upon being billed.

I will, in the event of sale or transfer, obtain the consent of the new owner/member(s) to become responsible for the repair and maintenance of the alteration herein provided.

Mutual Director's Signature _____ Date _____

Owner/Member Signature _____ Date _____

NOTICE TO CONTRACTOR – Contractor performing this work is required to maintain insurance in such amounts as may be deemed adequate by the Physical Property Office, considering the nature of the work which is undertaken. Prior to the issuance of this Building Permit, Certificates of Insurance and Endorsements, together with Contractor's licenses issued by the State of California and the City of Seal Beach, must be filled with the Physical Property Office.

CONTRACTOR MUST CALL PHYSICAL PROPERTY OFFICE FOR INSPECTIONS WHEN JOB IS READY.

City of Seal Beach Permit Required? Yes No Permit # _____

For final inspection, Contractor must call both the Physical Property Office and City of Seal Beach for a joint final inspection. (24 hours' notice is required)

NOTICE: Contractor must furnished copy of City of Seal Beach Permit with Valuation Amount before start of job. Contractor must furnish Lien Release to Physical Property Office upon completion of alterations.

Contractor's Signature _____ Date _____

GRF Inspection/Supervisor, Physical Property Office _____ Date _____

	<u>Approved By</u>	<u>Date</u>		<u>Approved By</u>	<u>Date</u>
BUILDING					
Footing	_____	_____	Landscaping	_____	_____
Framing	_____	_____	Lock Box w/ key	_____	_____
Wood Treatment	_____	_____	ELECTRICAL WORK		
Shear Panel	_____	_____	Rough Wiring	_____	_____
Insulation	_____	_____	Final Inspection	_____	_____
Roof Sheathing	_____	_____	HVAC		
Roof	_____	_____	Rough Wiring	_____	_____
Flashing	_____	_____	Final Inspection	_____	_____
Lathing	_____	_____	Rodent Proofing	_____	_____
Dry Wall	_____	_____	PLUMBING		
Scratch Coat	_____	_____	Ground Work	_____	_____
Brown Coat	_____	_____	Rough Plumbing	_____	_____
Finish Plastering	_____	_____	Finish Work	_____	_____
Miscellaneous	_____	_____	FINISH BUILDING	_____	_____
Tile Approval	_____	_____			

SEAL BEACH MUTUAL NO. TWELVE

Physical Property

Architectural Standards

Document History

Adopted: 13 Nov 2014 Amended: 12 May 2016

Keywords: Mutual Twelve Architectural
Standards

BILLING AND COLLECTION PROCEDURES FOR THE MUTUAL 12 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.

12-7520-1 – Collection Policy

Mutual Twelve Rules and Regulations

The effective and prompt collection of assessments (sometimes referred to as carrying charges) is critical to the running of our Cooperative. Only through the collection of these assessments can we maintain and, hopefully, increase the value of our property. The policies and practices of Seal Beach Mutual No. Twelve (the "Cooperative") with regard to the collection of delinquent assessments are as follows.

1. Assessments are due on the first day of each month and are delinquent if not received by the 15th day of each month. If a special assessment is necessary, you will be notified of the due date therefor.
2. In the event an assessment is not received within fifteen (15) days after it is due, the owner will be required to pay to the Cooperative a late charge in the amount of ten percent (10%) of the delinquent assessment or ten dollars (\$10.00), whichever is greater. Also, if an assessment is not paid within thirty (30) days from the day that it was originally due, interest at the rate of twelve percent (12%) per annum will be added to the owner's account each month.
3. If payment is not received within forty-five (45) days after the original due date of the assessment, the matter will be turned over to the Cooperative's attorneys for further handling. Upon receipt from the Cooperative of such a matter, the Cooperative's attorneys will send a letter notice by certified mail demanding payment for the outstanding assessments and related charges within ten (10) days of the date of the letter (the "10-Day Letter"). Alternatively, the Cooperative or Cooperative's management company may send the 10-Day Letter in lieu of the Cooperative's attorneys.
4. If the payment is not received as set forth in the above-described letter, the Cooperative may serve on the Member a thirty-day notice to pay or quit (the "Notice"), informing the Member that the Member's right to occupy the premises subject to the Occupancy Agreement may terminate at the expiration of the time stated in the Notice, unless the delinquent assessments have been paid.
5. In the event the payment is not received within time frame stated in the Notice, Member's Occupancy Agreement shall terminate and the Cooperative shall have the right to file an action in the Superior Court, for all appropriate causes of action (including an unlawful detainer to evict), to remove the Member from the premises and obtain lawful possession of the premises. Thereafter, the Cooperative may sell the Member's Stock Certificate. Once the matter is filed in the Superior Court, the case is handled as any other lawsuit.

6. There exists a landlord-tenant relationship between the Association and Members and in the event of a breach of the Occupancy Agreement for failure to assessments, the Association shall have such legal remedies as are available to a landlord for the breach under the laws of the State of California by a tenant of a lease or rental agreement in addition to all other remedies at law.
7. The case will be dismissed, or the legal action will be terminated, and the lien released (if any), only upon payment of all delinquent maintenance assessments, special assessments, late charges, lien fees, any and all collection costs incurred by the Cooperative, attorney's fees, attorney's costs, and any other charges against the member and the premises.

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 12
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, Mutuels that have adopted their own IDR process pursuant to California Civil Code Section 5910 shall include a description of said IDR process in their individual budget reports.

SEAL BEACH MUTUAL NO. TWELVE**Mutual Administration****Internal Dispute Resolution – IDR**

- 1 **1.** In accordance with *Civil Code* Sections 5900 through 5920, the Mutual has adopted the
2 following “Internal Dispute Resolution” (IDR) process to be followed by the Mutual and
3 members in connection with disputes relating to the enforcement of the Mutual’s
4 governing documents, the Davis-Stirling Common Interest Development Act (*Civil Code*
5 Section 4000 et seq.) and Section 7110 et seq. of the Nonprofit Mutual Benefit
6 Corporation Code (the “Disputes” or “a Dispute”). In accordance with Civil Code Section
7 5905, the Board provides this procedure for resolving Disputes in a “fair, reasonable and
8 expeditious” manner allowing the parties to “meet and confer” without charging a fee to
9 the member to participate in the process.
10
- 11 **2.** Either party to a Dispute may invoke the following procedure:
12
13 **2.1.** The party may request the other party to meet and confer in an effort to resolve
14 the dispute. The request shall be in writing.
15 **2.2.** A member (the resident stockholder(s) of the separate interest) may refuse a
16 request to meet and confer. The Mutual may not refuse a request to meet and
17 confer.
18 **2.3.** The Mutual's Board shall designate a director to meet and confer with the
19 member.
20 **2.4.** The parties shall meet promptly at a mutually convenient time and place within
21 30 days after the date of receipt of the request, explain their positions to each
22 other, and confer in good faith in an effort to resolve the dispute. The member
23 and the Mutual may be assisted by an attorney or another person in explaining
24 their positions at their own cost. ¹
25 **2.5.** A resolution of the dispute agreed to by the parties shall be memorialized in
26 writing and signed by the parties, including the Board designee on behalf of the
27 Mutual. Any proposed resolution that is beyond the scope of authority of the
28 Mutual Board of designees shall be brought before at least a quorum of the
29 Mutual Board for consideration no later than the next regular monthly meeting.
30 **2.6.** The agreement reached binds the parties and is judicially enforceable if both of
31 the following conditions are satisfied: (a) The agreement is not in conflict with
32 law or the governing documents of the common interest development or
33 Mutual; and (b) The agreement is either consistent with the authority granted
34 by the board of directors to its designee or the agreement is ratified by the
35 Board of Directors.
36
37
38
39
40

(Nov 21)

SEAL BEACH MUTUAL NO. TWELVE**Mutual Administration****Internal Dispute Resolution – IDR**

¹ Written notice at least 10 days prior to the IDR meeting shall be given to other participating party (either member or Mutual) of that party's intent to bring an attorney or another person to assist. In the event that a member or the Mutual designee appears at an IDR meeting with an attorney or another person to assist without having given prior written notice to the other participant, the IDR meeting may be rescheduled in order for the member or the Mutual designee to have an attorney or another person in attendance to assist. If the member brings an attorney, the Mutual's counsel will also attend.

Document History

Adopted: 09 July 15 Amended: 08 Oct 15

Keywords: Mutual Twelve
IDR

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.