

SEAL BEACH MUTUAL NO. FIFTEEN**Physical Property****Indemnity Agreement Pursuant to Patio Area Regulations**

I, _____ hereby attest that I am a Shareholder in the common interest development governed by Seal Beach Mutual No. Fifteen, (the "Mutual."). My address is _____, Seal Beach, CA 90740, (the "Unit"); the Unit is a part of all the real property owned by the Mutual {the "Project"}. Any references to "my" or "I" in the Agreement shall refer to the Shareholder.

1. This Agreement Pursuant to the Patio Regulations (the "Agreement") shall govern any and all legal shareholders with the right to occupy the Unit and each will be required to sign below. The Agreement shall hereby be deemed to be incorporated into and by this reference become a part of my Occupancy Agreement, signed on _____.
2. I understand that the Mutual Rule Section 3.1- Patios allows for the temporary utilization of common areas patios for my personal use. (Mutual Fifteen (15) Policy 7415.02.1 - Patio Area Regulations). This Agreement grants permission for me to perform a modification, which will result in the temporary non-exclusive use of Mutual common area by virtue of the building of a patio on the area (the "Patio Extension"). I further understand that the Patio Extension shall remain common area property at all times, and the permission for usage of the Patio extension may be revoked by the Mutual Board of Directors ("Board") at any time and for any reason. I expressly acknowledge and agree, and the Mutual provides, no grant of exclusive use of the common area for the installation and use of the Patio Extension. The common area on which the Pad is installed will remain common area for the mutual benefit and use of all shareholders of the Mutual. As such, I further acknowledge and agree that I have no right or authority to preclude any other shareholder from using the Patio Extension.
3. This Agreement sets forth my financial and legal obligations prior to the issuance of the permit granting me authority to perform the Patio Extension to the Unit and will become a permanent part of my Occupancy Agreement, as described above. It is understood by both Shareholder and the Mutual that the explicit purpose and intent of this Agreement is to protect the Mutual and all of its shareholders from any untoward financial or legal obligations that may result from my Patio Extension.
4. 5.The Patio Extension is a non-standard addition to the Unit and includes all applicable deck areas, walls and gates. The total encroachment resulting from the Patio Extension will be _____square feet into the Mutual's common area. Specifications regarding my Patio Extension are required to be submitted and approved in writing by the mutual prior to issuance of the permit.

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5. I understand and agree that all requests and plans for the new Patio Extension must adhere to Mutual Rule Section 3.1- Patios or such request will be rejected. I further understand and agree to be in compliance with Mutual Rule Section 3.1- Patios at all times.
6. I agree to assume all costs and responsibilities in connection with the Patio Extension including, but not limited to its use, construction, expansion, ongoing maintenance, or resulting issues which arise from the existence of the Patio Extension. I accept full financial responsibility for all maintenance, repairs, and replacement of the Patio Extension in accordance with the requirements of the Mutual's Bylaws and my Occupancy Agreement. I authorize the Mutual, in the event of my failure or inability to comply with the terms of this Agreement, the Occupancy Agreement or any other maintenance or repair requirements imposed by the Mutual, to perform and complete necessary maintenance and bill/assess the cost thereof against me in any manner permitted by the Mutual's governing documents and/or applicable law. Further, should the Patio Extension result in any damage to the Project or any utilities or other components for which the Mutual is responsible, I agree that the Mutual will hold me responsible for the costs incurred by the Mutual in repairing/remedying same and may levy said costs to my account after a noticed hearing before the Board. I further agree to pay to the Mutual the actual increase in any costs, if any, to maintain, repair, and/or replace any building components or common area as a result of the installation, maintenance, use, and/or existence of the Pad.
7. I further hereby agree to obtain and maintain at all times a Personal Liability Insurance (or similarly applicable) type insurance policy in an amount of at least One Million Dollars and 00/100 (\$1,000,000.00) providing liability insurance and coverage of personal property to cover the permitted encroachment and the area covered by the Patio Extension (the "Policy"). The Policy shall name the Mutual as an additional insured and shall provide for 30 days written notice of cancellation or reduction of coverage to the Mutual. (The name and address of Mutual Fifteen is Seal Beach Mutual Fifteen (15), Post Office Box 3519, Seal Beach CA 90740.) I shall be responsible to provide evidence of such insurance coverage to the Mutual upon request at any time.
8. I further hereby agree to indemnify, defend and hold harmless the Mutual, its directors, officers, managing agents, and committee members from and against any claims, liabilities, damages, injuries, causes of actions, demands, costs and expenses brought by any third parties or other Mutual shareholders against the Mutual, known or unknown, not and in the future, arising from or related to the construction, maintenance, existence, use or removal of the Patio Extension, or any claims relating to the legality of the installation of the Patio Extension and/or any legal challenge concerning the Installation by any other

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shareholder of the Mutual, and shall remove the subject Patio Extension in the event of such challenge. I agree to be solely responsible for any damage caused to the Patio Extension, the common area, or to any other property of the Mutual as a result of the installation, maintenance, use, existence, or removal of the Patio Extension. I further agree to be solely responsible for any costs incurred by me and/or the Mutual, including actual attorney fees, in the defense of any legal or other challenge to the installation, maintenance, use, existence, or removal of the Pad, as described herein.

9. Further, upon the sale/transfer of my share in the Mutual and transfer/change in the corresponding unit for which I am granted the right to occupy and reside, I agree to remove the Patio Extension and restore such patio and surrounding areas to their original condition prior to the construction of the Patio Extension at my own expense unless the prospective buyer/shareholder/occupier of my unit agrees to execute a new Agreement with the Mutual, which Agreement shall be deemed to be incorporated into and become part of his/her Occupancy Agreement. This Agreement shall terminate upon termination of my Occupancy Agreement and shall not be transferrable to any successors or assigned of my myshare/the Unit.
10. Without limiting the foregoing, this Agreement shall be kept on record with the Stock transfer Department; however, it shall be my sole and full responsibility to notify the buyer/transferee of my share/Unit regarding the existence of this Agreement as well as the requirement that the Patio Extension be removed and restored to its original condition prior to subsequent transfer/sale unless the prospective buyer/transferee agrees to sign an Agreement reflecting the same or similar obligations as set forth in this Agreement and that said Agreement be deemed to be incorporated into and become part of his/her Occupancy Agreement.
11. Each Shareholder and person granted the right to occupy my Unit is bound by this Agreement and is required to sign below. By my signature, I hereby agree without reservation to all conditions listed herein. (Agreement must be signed and submitted prior to granting of permit by Board of Directors.)
12. Finally, I agree and acknowledge that if the Mutual is able to record this Agreement and/or the Occupancy Agreement as against the Unit or such other real property as may be desired with the Orange County Recorder's Office, the Mutual shall be permitted to do so, and I shall, without prejudice or protest, execute and deliver any and all instruments, liens, agreements, documents, notarizations and other writings and perform all other acts reasonably necessary to effect the terms, conditions and purposes of this Agreement as

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a recorded document against the Unit and to permit the Mutual to record this Agreement. This Agreement shall be deemed effective as of the last date set forth below.

13. The license granted herein is revocable and may be terminated by the Mutual at will or upon the following events: (i) where any shareholder within the Mutual files a court action to challenge the revocable license granted herein as being contrary to the Governing Documents or California law; (ii) where a court determines that the Agreement or the revocable license granted herein are contrary to the Governing Documents or California law; and/or (iii) where I breach any of the terms of this Agreement and fail to cure said breach following a thirty (30)-day written notice by the Mutual and the opportunity to cure the breach. Where there is a third-party claim against the Mutual but termination is not obligatory, the Mutual, at its option, may require me to indemnify the Mutual as set forth above, and deposit a sum sufficient to cover all litigation expenses and attorney's fees into an escrow account established by the Mutual. Upon termination of this Agreement, I shall remove the Patio Expansion and restore the common area to its prior unmodified condition and/or shall cause the affected property to be redone to the currently prescribed Mutual standard, at my sole cost and expense, unless the Mutual permits the Patio Extension to remain upon sale or transfer of the Unit. I agree that any cost or expense incurred by the Mutual to restore the common area upon termination of this Agreement may, or any expense for which I am liable hereunder, may, if unpaid by me be levied by the Mutual as a charge against my account.

Shareholder:

Print Name: _____ Signature: _____ Date _____

GRF ID No. _____

Shareholder:

Print Name: _____ Signature: _____ Date _____

GRF ID No. _____

Shareholder:

Print Name: _____ Signature: _____ Date _____

GRF ID No. _____

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Shareholder:

Print Name: _____ Signature: _____ Date _____

GRF ID No. _____

Witness /GRF Physical Properties

Print Name: _____

Signature: _____ Date _____

GRF ID No. _____

Document History

Adopted: 17 July 2023

Keywords: Patio Area Indemnity Agreement