

**A G E N D A**  
**REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS**  
**SEAL BEACH MUTUAL TWELVE**  
**March 08, 2018, at 9:00 a.m.**

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE
2. SHAREHOLDER COMMENTS (2-3 minutes per shareholder. Agenda items only)
3. ROLL CALL
4. INTRODUCTION OF GRF REPRESENTATIVE, STAFF, AND GUEST(S):
  - Mrs. Damoci, GRF Representative
  - Ms. Hopkins, Mutual Administration Director
  - Mr. Antisdel, Building Inspector
  - \_\_\_\_\_, Recording Secretary
5. APPROVAL OF MINUTES:  
**Regular Meeting Minutes of February 8, 2018**
6. BUILDING INSPECTOR'S REPORT Mr. Antisdel  
Permit Activity; Escrow Activity; Contracts & Projects; Shareholder and Mutual Requests (p. )
  - a. Building permit approvals
  - b. Review Inspector's Report
  - c. Open Tree Trimming bid packages for 2018
  - d. Work order approvals and invoice approvals
  - e. Review Inspector's RTM Open Project List
7. GRF REPRESENTATIVE Mrs. Damoci
8. **UNFINISHED BUSINESS**
  - a. Sprinkler Rehabilitation selected contractor update, review, and possible change of contractor
9. **NEW BUSINESS**
  - a. Review & Acceptance of the Draft 2017 Audited Financial Statement, Ms. Miller
  - b. Select Roofing project management company
  - c. Roofing specifications update by contractor AWS, Carl Brown
  - d. RESOLVED, to ratify the amended and posted Policy 7481.12 Infrastructure Modifications
  - e. RESOLVED, to ratify the amended and posted Policy 7499.12 Air Conditioning

**A G E N D A**  
**REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS**  
**SEAL BEACH MUTUAL TWELVE**  
**March 08, 2018, at 9:00 a.m.**

- f. RESOLVED, to ratify the amended and posted Policy 7525 Withdrawal Inspection Process Fee
- g. RESOLVED, to ratify the amended and posted Policy 7530 Withdrawal Inspection
- h. Possible project – Discuss Illegal plant removal by landscapers with possible grace period for shareholders
- i. Discuss policies 7540 Nonresident Co-Owner and 7545 Nonresident Co-Owner Inheriting Share and whether it is legal for policies to override the Mutual Bylaws and the Occupancy Agreement and possibly rescind the policies.
- j. Policy 7410.12 Apartment Fire/Safety Inspection discuss / amend the policy to add shareholder charge if fire-inspection access is delayed or rescheduled by shareholder
- k. Resolved, that all minutes taken in Executive Session regarding shareholder issues will include the shareholder's first name, last name, and unit number.

**STAFF SECRETARY BREAK 11:00 a.m.**

- |   |             |
|---|-------------|
| 10. SECRETARY / CORRESPONDENCE  | Ms. Sprague |
| 11. CHIEF FINANCIAL OFFICERS REPORT   | Ms. Ferraro |
| 12. MUTUAL ADMINISTRATION DIRECTOR  | Ms. Hopkins |
| 13. ANNOUNCEMENTS   |             |
| 14. COMMITTEE REPORTS   |             |
| 15. DIRECTORS' COMMENTS   |             |
| 16. SHAREHOLDER(S)' COMMENTS (2-3 MINUTES)  |             |
| 17. ADJOURNMENT   |             |
| 18. EXECUTIVE SESSION (This session will continue at 1 PM in the Physical Property Conference Room) |             |

**STAFF SECRETARY WILL LEAVE THE MEETING BY 12:10 p.m.**

**NEXT MEETING THURSDAY, APRIL 12, 2018, at 9:00 a.m.**  
**in the Administration Building, Conference Room**

# *Mutual Corporation No. Twelve*

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## MEMO

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**TO:** MUTUAL BOARD OF DIRECTORS  
**FROM:** MUTUAL ADMINISTRATION  
**SUBJECT:** REVIEW AND ACCEPTANCE OF THE DRAFT 2017 AUDITED FINANCIAL STATEMENTS  
**DATE:** MARCH 8, 2018  
**CC:** MUTUAL FILE

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On March 8, 2018, Ms. Miller, Director of Finance, will review the Financial Statements as of the year ending December 31, 2017, by the Independent Accountant's Report as submitted by CliftonLarsonAllen (CLA).

**Resolved, that the Board of Directors of Seal Beach Mutual Twelve, upon a presentation of the Financial Statements as of December 31, 2017, for the year then ended, and the proposed Accountant's Report as submitted by Clifton Larson Allen (CLA), hereby accept the above mentioned Financial Statements and reports therein.**

PHYSICAL PROPERTY

Air Conditioning/HVAC/Heat Pump Units - Mutual Twelve Only

In order to conform to revised requirements of the City of Seal Beach, the Uniform Building Code, and the regulations of the Physical Property Department of Leisure World, and in accordance with the previous practices of this Mutual, the installation of air conditioning units shall be approved and confirmed as follows.

1. LOCATION

- 1.1 Ducted and Ductless air conditioning/heat pumps shall be placed in front of an apartment as close to the center as feasible on all inside units.
- 1.2 Corner Units: Ducted and Ductless air conditioning/heat pumps shall be placed on the short side of all corner apartments as close to the center as feasible.
- 1.3 All new installations and change outs will require a four-inch-thick poured concrete slab.
- 1.4 Replacement unit may remain at existing location per city approval.

2. ATTIC ACCESS: Ducted HVAC Units only. Attic Access is required from the inside of the shareholder's unit (usually in the kitchen or bathroom) or from the outside (for end apartments only) for servicing and maintaining the HVAC Unit. The attic access shall be a minimum 22" x30", and the cover shall be a combination of plywood laminated to a 5/8" type "X" drywall, with the drywall facing the attic side.

3. All HVAC heating unit cement pads shall be flush with the apron.

4. Ducted air conditioning/heat pumps size shall not exceed 3.5 ton.

5. All exposed lines (beginning and end) must be covered with sheet metal and/or expandable foam and wire mesh so they are rot-resistant and flame-, insect-, and vermin-proof. Lines must be installed inside the drip line.

6. Condensation Lines. All condensation lines located in the attic shall be rodent-proofed. Condensation tie-ins at the kitchen sink vent shall be:

6.1 If using PVC pipe, use 1-1/2" x 3/4" PVC tee with 1-1/2" no hub bands with 1/4" mesh around pipe;

6.2 If using copper pipe, use 1-1/2" x 3/4" PVC tee with 1-1/2" no hub bands. If the apartment is a remodel, run the condensation line to the washer/dryer hookup or a y-branch tailpiece at the bathroom sink.

67. If the noise level exceeds city code either the inside or outside level, the shareholder is responsible for having unit(s) repaired at once. If the unit is not repaired by the shareholder, the unit may not be used by the resident or shareholder. If the Mutual repairs the unit, the (Sep 17)

MUTUAL OPERATIONS

DRAFT

## PHYSICAL PROPERTY

Air Conditioning/HVAC/Heat Pump Units - Mutual Twelve Only

shareholder will be billed for all expenses. Repair and maintenance of all units will be the responsibility of the shareholder.

78. When removing previous HVAC units the contractor must remove the cement pad for the previous unit as well.

9. On the occasion of change of ownership, ~~and with a charge against the seller's escrow~~ all air conditioning **HVAC** units shall be **in full compliance with all requirements and provisions of this policy.** **All HVAC** units shall be inspected and, serviced or replaced, as needed to conform with current building codes, and ~~a~~**All** condensation drain lines will be checked and rodent-proofed, **and a concrete pad to be installed.** ~~as needed.~~ **All costs incurred shall be charged against the seller's escrow.**

MUTUAL ADOPTIONAMENDMENTS

TWELVE: 08 Oct 87

04-11-02, 09-13-07, 10-08-09, 09-25-17

**MUTUAL OPERATIONS  
PHYSICAL PROPERTY****DRAFT****Infrastructure Modifications (formerly Policy 7496.12) – Mutual Twelve**

1 **SCOPE** This Policy supplements laws, codes, Golden Rain Foundation and Mutual 12 governing documents, and other requirements. It does not weaken or eliminate any requirement of any kind that is not addressed herein.

2 **GENERAL REQUIREMENTS**

- 2.1 Any building exterior or interior ~~common area~~ modification must be approved by Board Resolution unless Board approval is on file or clear in policy (Exception: Interior walls may be painted or papered without a GRF or Mutual permit.)
- 2.2 All modifications approved for shareholders shall be at shareholder expense.
- 2.3 Shareholder and shareholder's contractor are responsible for repair and/or replacement of any Mutual 12 infrastructure components disturbed, modified or damaged during construction.
- 2.4 As an example but not a limitation, repair or replacement of Mutual sidewalk light wiring damaged during and resulting from shareholder walkway replacement, sprinkler line work, grade changes, etc. must be corrected at contracting shareholder expense.
- 2.5 There shall be no shareholder construction or other shareholder encroachment under the attic access, in front of or in a location compromising access to or interfering in any way with any kind of electrical, electronic and or information transmission equipment including their enclosures wherever located. No encroachment shall be allowed on any kind of easement or access not mentioned above unless exempted by Board Resolution.
- 2.6 Neither GRF nor the Mutual allows contractors to work outside of regular business hours. See Policy 7402.12 Working Hours – Contractors, Vendors and Shareholders. If contractors or their employees are found on site outside of regular business hours a fine may be imposed for up to \$500 for each occurrence in addition to other punitive action.
- 2.7 GRF and Mutual requirements and contract supersede GRF Building Inspector "FINISH BUILDING" sign off on the GRF Building permit.

3 **LANDSCAPE**

(Sep 17)



**MUTUAL OPERATIONS  
PHYSICAL PROPERTY**

**DRAFT**

**Infrastructure Modifications (formerly Policy 7496.12) – Mutual Twelve**

- 3.1 Any time, including garden border adjustments, changes are made or turf is restored, excess soil shall be removed and any new soil shall be added at shareholder expense. In any Mutual or shareholder contract, price of soil and turf addition or removal shall be included whether specifically stated in the contract or not.
- 3.2 All grounds and sprinkler modification, including but not limited to grade and garden borders, must be performed by the Mutual's landscape contractor unless another contractor is authorized by Board resolution. All work performed will be at shareholder expense. (See Policy 7408.12 – Contractor Liability)

**4 PRIMARY ENTRANCE WALKWAY RELOCATION AND CHANGES**

- 4.1 Shareholder(s) of the adjoining unit, if any, must agree to the relocation of their **common** entrance walkway. A written agreement must be signed by both parties prior to any work being performed by the contractor.
- 4.2 New walkways shall be a minimum width of four feet and a maximum width of five feet. Any flare shall be included within the five-foot width.
- 4.3 Walkways may include brick, flagstone, or any similar material between Mutual walkways and resident porch area. The maximum five-foot width must include at least three-inch cement mow strip on each side. Non-standard walkway damage will be the responsibility of the shareholder.
- 4.4 The site plans shall define the areas affected by the relocation of the entrance walkways which are connected to the main sidewalk and all affected units.
- 4.5 The site plans shall show:
  - 4.5.1 The original "as is" walkway.
  - 4.5.2 The proposed relocated walkway(s).
- 4.6 All grounds and sprinkler modification, including but not limited to grade and garden borders, must be performed by the Mutual's landscape contractor unless another contractor is authorized by Board resolution. All work performed will be at shareholder expense. (See Policy 7408.12 – Contractor Liability)

**5 ADDITIONAL ENTRANCES**

(Sep 17)

**MUTUAL OPERATIONS  
PHYSICAL PROPERTY****DRAFT****Infrastructure Modifications (formerly Policy 7496.12) - Mutual Twelve**

- 5.1 Maximum of two entrances may be located at the edge of a building's footprint. Additional entrances are not allowed unless these additional entrances exit onto the ~~exclusive-use~~ **separate interest** patio area of the unit.
- 5.2 Walkways are not allowed on the additional entrances located at the edge of a building's footprint.
- 5.3 The stoop of an entrance located at the edge of a building's footprint shall not exceed minimum code requirements in length and width.

**6 THRESHOLDS**

- 6.1 Exterior sidewalk and interior slab shall not have more than 1.5" difference.
- 6.2 Demolition and replacement of existing patio slabs shall take place as needed to accomplish this requirement.

**7 STEPS**

- 7.1 Steps are not allowed anywhere on the Mutual 12 premises, interior or exterior (the concrete platforms in the back of the carports are not steps).

**8 APRONS**

- 8.1 Policy 7425.12 requires a 12-inch exterior apron added to the main foundation structure. Wider aprons are not permitted.
- 8.2 A bay foundation may be flush with the structure or have an apron not to exceed 6".
- 8.3 Apron to be part of monolithic pour for footing per Policy 7490 Standard Plans and Specifications diagram 9 of 15, Patio Roof Footing Slab, date May 1987.



**MUTUAL OPERATIONS  
PHYSICAL PROPERTY****DRAFT****Infrastructure Modifications (formerly Policy 7496.12) – Mutual Twelve****9 SOUNDPROOFING**

9.1 Soundproofing is always required:

9.1.1 On all common walls exposed during construction.

9.1.2 On all walls of second bathrooms.

9.2 Soundproofing is recommended:

9.2.1 For common walls, in particular any room considered a bedroom or sleeping room.

**10 INSULATION**

10.1 Before any construction involving the attic receives the FINISH BUILDING sign off, all insulation must be put back in place or replaced so that protection is at least as good as original. Skylight structure insulation must be put in place securely.

10.2 Shareholder is encouraged to specify high quality fire resistant insulation anywhere insulation is required.

**11 ACCESS**

11.1 Water heater whether in the original location or relocated must **not** be ~~no more obstructed than the original location.~~ **rendered inaccessible.**

11.2 Any variance, such as but not limited to under sink water purifier, requires Board approval and GRF Building Permit, and **Any** work on obstructed original fixtures will be at shareholder's expense.

**12 ENCLOSED PATIOS**

12.1 Enclosed patios may have all screens, windows, louvered windows, acrylic, backer board, drywall, deco blocks, doors, and all other enclosure materials removed when the unit is sold. Removal of enclosure materials is at the discretion of the Mutual board. The cost of removing enclosure materials will be at the Seller's expense. **unless Exception, if** there is proof of permits, **otherwise** it will be removed at Mutual expense.

(Sep 17)

**MUTUAL OPERATIONS  
PHYSICAL PROPERTY****DRAFT****Infrastructure Modifications (formerly Policy 7496.12) – Mutual Twelve**

- 12.2** Modifying the patio to add any enclosure materials such as windows, doors, drywall, backer board, concrete fill in deco blocks, etc., requires a GRF Building Permit.
- 12.3** Acrylic, plastic, etc., may not be used for patio enclosure except when it is being used as a backing material for deco blocks.
- 12.4** No **enclosed** patio addition may have a door that locks. Only doors with direct entry into the unit may have locks, i.e., front door or sliding glass door leading directly into the unit from the patio. A door outside in the patio without direct access into the unit is not considered an entry door. To clarify, there can be no door locked before arriving to the ~~front door~~ **primary entrance** of the unit. Any lock on a patio door must be removed or the Mutual will remove it at the shareholder expense.

**13 SEWER TIE-INS**

- 13.1** All Sewer tie-ins to be at existing toilet at existing bath. Mutual Twelve does not allow contractors to tie into the 4 inch main line.

**14 GUTTER & DOWNSPOUTS**

- 14.1** If Downspouts are relocated, the contractor will replace existing gutter with a one piece gutter to the middle of the center unit of the building (the location of the seam).

**15 WASHER / DRYER INSTALLATION**

- 15.1** On Washer/Dryer installs there must be easy access such as a side door to shutoff valves.
- 15.2** The Washer/Dryer cabinet space must be large enough to easily remove the washer / dryer without having to remove the doors, the framing, or the molding.

**ATTACHMENTS:**

(Sep 17)

**MUTUAL OPERATIONS  
PHYSICAL PROPERTY**

**DRAFT**

**Infrastructure Modifications (formerly Policy 7496.12) – Mutual Twelve**

- **CONTRACTOR COMPLIANCE AGREEMENT**
- **SHAREHOLDER UNDERSTANDING OF RESPONSIBILITY**

**MUTUAL ADOPTION**

TWELVE: 2003-01-09

**AMENDMENTS**

2015-11-12, 2016-07-14 (Emergency 120 days),  
2016-10-13, 2017-09-25

MUTUAL OPERATIONS  
PHYSICAL PROPERTY

DRAFT

Infrastructure Modifications (formerly Policy 7496.12) - Mutual Twelve

CONTRACTOR COMPLIANCE AGREEMENT

I/We the undersigned, understand and agree to comply with all of the laws, codes, governing documents, and requirements of the Golden Rain Foundation and Seal Beach Mutual No. Twelve for work briefly described below applicable to:

Unit No: \_\_\_\_\_ GRF Building Permit No.: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

COMPANY NAME: \_\_\_\_\_

BY: \_\_\_\_\_ Title: \_\_\_\_\_  
(Signature)

Name Printed: \_\_\_\_\_ Date: \_\_\_\_\_

SHAREHOLDER UNDERSTANDING OF RESPONSIBILITY

Prior to signing this or any other document related to this modification of Mutual 12 property I/We have obtained any and all assistance needed to fully understand our responsibility as shareholder/owner of the separate interest.

I/We understand that the sentence, "I agree all work will comply with Foundation and Mutual Corporation policies, regulations, and procedures." is included in the NOTICE TO RESIDENT OF AGREEMENT section of the GOLDEN RAIN FOUNDATION BUILDING PERMIT.

\_\_\_\_\_  
PRINT NAME

\_\_\_\_\_  
(Signature)

Date: \_\_\_\_\_

(Sep 17)

MUTUAL OPERATIONS

## SHAREHOLDER REGULATIONS

Withdrawal Inspection Process Fee

## RESOLUTION:

That Mutual No. Twelve will charge a fee (**refer to table below**) for the inspection process when a share of stock is listed for sale, effective November 12, 2015 (**see below**).

<u>MUTUAL AND ADOPTION</u>	<u>AMENDED/AMT</u>	<u>EFFECTIVE DATE</u>
ONE: 01 Aug 89/\$500		
TWO: 01 Aug 89		
THREE: 01 Aug 89	04-12-13/\$1,000	05-01-13
FOUR: 01 Aug 89	09-14-16/\$1,000	09-14-16
FIVE: 01 Aug 89	08-19-15/\$1,000	08-19-15
SIX: 01 Aug 89		
SEVEN: 01 Aug 89	11-16-16/\$1,200	11-16-16
EIGHT: 01 Aug 89	07-22-13/\$1,000	07-23-13
NINE: 01 Aug 89	03-13-13/\$1,000	04-01-13
TEN: 01 Aug 89	08-27-14/\$1,000	08-27-14
ELEVEN: 01 Aug 89	09-17-15/\$1,000	09-17-15
TWELVE: 01 Aug 89	11-12-15/\$1,000	11-12-15
FOURTEEN: 01 Aug 89	11-17-15/\$1,200	11-17-15
FIFTEEN: 01 Aug 89	04-15-13/\$1,000	05-01-13
	08-22-17 \$1,500	10-16-17
SIXTEEN: 01 Aug 89	03-18-13/\$1,000	04-01-13
SEVENTEEN: Not Applicable		

(Oct 17)

**MUTUAL OPERATIONS**

**SHAREHOLDER REGULATIONS**

**Withdrawal Inspection – Except Mutual Nine and Seventeen**

RESOLUTION:

Immediately upon vacating by the selling shareholder, the dwelling shall be inspected. Expense of repair and maintenance shall be paid from the withdrawal repair deposit of Seller. Balance to Seller.

<u>MU/DATE/AMOUNT</u>	<u>AMENDED/AMT.</u>	<u>AMENDED/AMT.</u>	<u>AMENDED/AMT.</u>
1. 01-24-91/\$2,500	08-23-03/\$3,500	08-23-07/\$5,000	09-22-16/\$10,000
2. 11-15-90/\$2,500	09-16-04/\$3,500	09-20-07/\$5,000	01/17/13/\$8,000
3. 07-14-95/\$2,500	-----	10-12-07/\$5,000	06-14-13/\$10,000
4. 07-01-85/\$2,000	12-01-03/\$3,500	09-12-07/\$5,000	12-12-12/\$7,500
5. 07-19-95/\$2,500	11-19-03/\$3,500	09-19-07/\$6,500	
6. 12-06-89/\$2,500	04-26-05/\$3,500	09-25-07/\$5,000	09-23-16/\$10,000
7. 12-15-89/\$2,500	07-19-03/\$3,000	09-21-07/\$5,000	11-16-11/\$10,000 (See Policy 7530.)
8. 09-24-90/\$2,500	05-17-05/\$3,500	09-24-07/\$5,000	
9. 12-12-90/\$2,500	11-15-02/\$3,500	02-13-06/\$5,000	11-15-07/\$6,500 (See Policy 7530.9)
10. 10-24-90/\$2,500	08-27-03/\$3,500	10-24-07/\$6,500	
11. 01-17-91/\$2,500	11-20-03/\$3,500	09-20-07/\$5,000	
12. 12-13-90/\$2,500	02-10-05/\$3,500	10-11-07/\$5,000	03-14-13/\$7,500, 11-12-15/\$10,000
14. 06-23-95/\$2,500	06-22-04/\$3,500	09-25-07/\$7,000	09-18-15/\$10,000
15. 07-17-95/\$2,500	08-16-04/\$3,500	10-15-07/\$6,500	
16. 06-28-95/\$2,500	02-25-05/\$3,500	09-17-07/\$6,500	
17. Not applicable			



**MUTUAL OPERATIONS****RESIDENT REGULATIONS****Nonresident Co-Owner**

Restriction of Rights and Waiver of Occupancy Agreement:

This agreement made by and between SEAL BEACH Mutual NO. \_\_\_\_\_ (hereinafter referred to as "MUTUAL"), GOLDEN RAIN FOUNDATION (hereinafter referred to as "FOUNDATION"), and \_\_\_\_\_ (hereinafter referred to as "OWNER").

WHEREAS, OWNER wishes to purchase a share of stock in MUTUAL and a membership in FOUNDATION with \_\_\_\_\_ to be held in joint tenancy with right of survivorship; and

WHEREAS, under and pursuant to the Bylaws and Articles of MUTUAL and FOUNDATION and the rules and regulations of FOUNDATION, OWNER would be entitled to occupy an apartment owned by MUTUAL at Seal Beach Leisure World and would be entitled to the use and enjoyment of the recreational and medical facilities and services provided by FOUNDATION; and

WHEREAS, it is required that residents of Seal Beach Leisure World be at least 55 years of age and to meet other requirements for occupancy in MUTUAL and membership in FOUNDATION; and

WHEREAS, pursuant to the Articles of Incorporation and Bylaws of Mutual and the Articles of Incorporation and Bylaws of FOUNDATION, stock ownership in the Mutual and membership in the FOUNDATION may be only by persons approved by each of said corporation; and

WHEREAS, it is the desire of OWNER and \_\_\_\_\_, the joint owner, to hold the said membership and stock in joint tenancy to facilitate a transfer in the event of death;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows, to wit:

FIRST: OWNER agrees that in consideration of the terms and covenants of this agreement he will not occupy, seek or attempt by any judicial process to occupy an apartment owned by MUTUAL at Seal Beach Leisure World, which occupancy it is acknowledged that except for this agreement OWNER would be entitled to occupy.

SECOND: OWNER waives all right to the use and enjoyment of all community facilities and services of any kind or nature provided by FOUNDATION.

THIRD: That this agreement shall remain in full force and effect up to and including such times as the parties may mutually terminate it.

(Jan 70)

**MUTUAL OPERATIONS****RESIDENT REGULATIONS****Nonresident Co-Owner**

FOURTH: It is covenanted and agreed by and between the parties hereto that despite OWNER being deprived of the right of occupancy in the MUTUAL or that OWNER agrees to be bound by all rules and regulations pertaining to ownership of a share of stock in MUTUAL or a membership in FOUNDATION, together with OWNER'S acceptance of liability and responsibility for all fees, charges and payments incident to ownership of said share or membership, including any and all assessments permitted by the Articles of Incorporation.

FIFTH: MUTUAL and FOUNDATION agree that OWNER may take title jointly with \_\_\_\_\_ to a share of stock of Mutual and a membership certificate of FOUNDATION in joint tenancy.

SIXTH: Any attempt by force or judicial process by OWNER to gain occupancy of an apartment of MUTUAL or any of the rights or benefits of membership in FOUNDATION shall constitute a default under and pursuant to the terms of the Occupancy Agreement to be executed by OWNER and of the Bylaws and rules and regulations of FOUNDATION.

SEVENTH: It is covenanted and agreed by and between the parties hereto that this agreement is made for the convenience of OWNER and the joint tenant only to facilitate the transfer of title to a share of stock of MUTUAL and membership in the FOUNDATION in the event of death of the joint tenant and in the event of the death of \_\_\_\_\_, OWNER shall be bound by the terms and provisions of this agreement and shall not under said circumstances at that time be entitled to any occupancy or exercise of rights of membership in FOUNDATION, except upon written approval and acceptance for full membership of OWNER on the part of MUTUAL and FOUNDATION, and in the event OWNER shall so apply and be accepted for membership, OWNER shall pay the prevailing initiating fee of FOUNDATION existent at said time, and the prevailing Mutual Option Waiver Fee, or prevailing Golden Rain Foundation transfer fee of \_\_\_\_\_, whichever is greater.

EIGHTH: Owner agrees to be bound and jointly and severally responsible and liable for all acts of \_\_\_\_\_ who shall occupy said apartment, and for all charges and expenses incident to any legal proceeding concerning said occupancy, together with a reasonable attorney's fee.

**MUTUAL OPERATIONS****RESIDENT REGULATIONS****Nonresident Co-Owner****MUTUAL ADOPTION/AMENDMENTS**

ONE:	12-06-69
TWO:	11-20-69
THREE:	01-19-70
FOUR:	01-09-70
FIVE:	12-17-69
SIX:	01-23-70
SEVEN:	01-16-70
EIGHT:	11-24-69
NINE:	01-21-70
TEN:	01-19-70
ELEVEN:	12-18-69
TWELVE:	01-08-70
FOURTEEN:	01-22-70
FIFTEEN:	01-28-70
SIXTEEN:	01-15-70

**MUTUAL OPERATIONS****RESIDENT REGULATIONS****Nonresident Co-Owner Residency – Inheriting Share of Stock**

BE IT RESOLVED, that whenever a nonresident co-owner inherits a share of stock and desires to become a shareholder of the Mutual Corporation and member of the Golden Rain Foundation, the individual shall meet the eligibility criteria with reference to age, financial ability, health and character (as outlined in Mutual Corporation Policy No. 7510.\_\_\_\_ and Golden Rain Foundation Policy 1610), and be interviewed by representative(s) of the Mutual Corporation.

FURTHER, the inherited unit will be inspected by representatives of the Mutual Corporation to determine whether it has been properly maintained, repaired and meets the Mutual regulations. Unless repairs are a Mutual responsibility, items noted in the inspection as being deficient will be corrected at the owner's expense.

**MUTUAL ADOPTION**

ONE:	01-24-91
TWO:	01-25-91
THREE:	01-11-91
FOUR:	01-07-91
FIVE:	01-24-91
SIX:	01-19-91
SEVEN:	01-18-91
EIGHT:	01-28-91
NINE:	01-14-91
TEN:	01-23-91
ELEVEN:	01-17-91
TWELVE:	01-10-91
FOURTEEN:	01-25-91
FIFTEEN:	01-21-91
SIXTEEN:	01-21-91

(Jan 91)

**MUTUAL OPERATIONS****PHYSICAL PROPERTY****Apartment Fire/Safety Inspection - Mutual Twelve only Effective 7-10-03****Biennial Fire/Safety Inspection:**

- 1) The Board of Directors of the Mutual Corporation is required to maintain the physical structure of each apartment building and carport in good repair.
- 2) The Occupancy Agreement between the shareholder and the Mutual Corporation provides that an apartment or carport may be inspected at any reasonable hour of the day. The inspection shall be conducted by one Mutual Director and a Golden Rain Foundation Physical Property Inspector.
- 3) The Physical Property Supervisor shall prepare a biennial inspection schedule every other year which lists the assigned inspector's name, start date, year (odd/even), items to be inspected, estimated days needed, the number of buildings and carports to be inspected, and any other pertinent information.
  - a) Shareholders will be notified in writing at least three (3) days prior to the date their apartment and carport will be inspected.
- 4) The Physical Property Inspector shall prepare an Inspection Report for each apartment and carport to be inspected and the Mutual President shall assign a Director to accompany the Physical Property Inspector to inspect each apartment and carport.
  - a) If the Inspection Report is clean, meaning there are no City or County violations that need to be corrected, the report shall be returned to the Physical Property Department and filed.
  - b) If the Inspection Report contains violations of City or County codes that are the shareholder's responsibility, the Physical Property Inspector will advise the shareholder, in writing, of the violation(s) to be corrected and establish a re-inspection date.
  - c) If the Inspection Report contains violations of City or County codes that are the Mutual's responsibility, the Mutual Director will generate a work order to correct the violations.
- 5) On the established re-inspection date, the Physical Property Inspector and Mutual Director shall re-inspect the apartment or carport. If the shareholder has not corrected the violation(s) as listed on the report, the Physical Property Inspector will advise the Mutual Board which, in turn, may take the following suggested action(s):
  - a) Take immediate action to eliminate the fire/safety violation(s) in the apartment or carport at the shareholder's expense. If the shareholder refuses to proceed or pay to

(Jul 03)

**MUTUAL OPERATIONS****PHYSICAL PROPERTY****Apartment Fire/Safety Inspection - Mutual Twelve only Effective 7-10-03**

have the violation(s) corrected, the President shall proceed with the actions listed under paragraph (5) (b).

1. The alleged violation(s) in the apartment or carport may be photographed or videotaped by the Physical Property Inspector or Safety/Emergency Coordinator, if necessary.
- b) After informing the Administrative Services Manager in writing of the violation(s), and the shareholder's refusal to correct the violation(s), the Administrative Services Manager will write a letter to the shareholder advising them that they have ten (10) days to eliminate the safety/fire hazard, and that a 2nd re-inspection will occur on the 10<sup>th</sup> day.
- 6) On the 2<sup>nd</sup> re-inspection, the Physical Property Inspector and Mutual Director will advise the Administrative Services Manager and Physical Property Department if the violation(s) have been corrected.
  - a) If the violation(s) are not corrected after the 2<sup>nd</sup> re-inspection, the Administrative Services Manager will advise the Mutual Board and the Mutual Board may proceed to follow the actions of *Regulation 7590.2, Notice to Quit, Of Default and Termination of Occupancy Agreement*.

**BIENNIAL ADOPTION DATE****AMENDED**

Twelve

12 Feb 87

10 Jul 03

***Annual Inspections were established 1-11-73; Biennial Inspections as stated above.***

(Jul 03)