

MUTUAL OPERATIONS

Common Interest Development – Mutual One Only

The Mutual One Board of Directors will abide by and be governed by ALL the laws governing a “Common Interest Development” as specified in the Community Association Law Resource Book, Civil Code, or Davis-Stirling, specifically, as well as Corporations Code and every law as applicable to Mutual “Common Interest Development” operations.

Note: LexisNexis, Case G038758, Court of Appeal of CA, Fourth Appellate District, Division Three, Filed June 10, 2008, Modified July 8, 2008. 163 Cal App, 4th 1141: 78 Cal. Rptr, 3d 226: 2008 Cal App. Lexus 860

From page 1: "The trial court found that the trustee (GRF) was an association as defined in 1351, subd, (a) and that the apartments were a common interest development as defined in 1351, subd (c). The court held that substantial evidence supported the trial courts finding that the trustee was an association created to manage the apartments (mutuals). The trustee was not a managing agent as defined in Civil Code 1363.1 subd, (b), because it held title to the common facilities and was not compensated for its services. The apartments were a common interest development because the residents owned separate interests as defined in Civil Code 1351 and were members of the association as contemplated by Civil Code 1352. The recorded declaration for the apartments was adequate under Civil Code 1353, subds, (a) (1), (b) despite its lack of covenants, conditions and restrictions."

OUTCOME: "The court affirmed the trial court’s judgment."

This is a re-affirmation of Mutual One abiding by Civil Code (Davis-Stirling) as it has over the years beginning in about 1988 as indicated in the Policy Books and also in adopting Budget, Assessment CC: 1365.2.5, and Reserve Policies and also indicated on other documents such as Financial Statements for many years. **In addition, to cite a few instances from the Board Minutes and Resolutions on 11/25/03, 1/22/04, 10/23/08, the Board has always relied on, quoted from, and RESOLVED to “comply” with Davis-Stirling, Civil Code.**

The Board of Mutual One believes as the LexusNexis review of the Trial Court’s decision affirming that Mutual One is a “Common Interest Development” and Mutual One RESOLVES that it will be governed by Davis-Stirling for the “Protection of the Shareholders Interests” and for the “Governance of the Community and the Corporation.”

Robert’s Rule of Order will be the Parliamentary Procedure used when conducting Board meetings and business.

MUTUAL ADOPTION

Amended

ONE: 25 Jun 09

27 Jan 11

(Jan 11)