



Mutual Administration Committee

Agenda

Administration Conference Room

Tuesday, October 13, 2015

1:00 p.m.

1. Call to Order/Pledge of Allegiance
2. Roll Call/Notice of Quorum
3. Chair's Announcements
 - a. Introduction of Guests and Staff
 - b. Rules of Order
 - c. Chair's Report
4. Approval of Minutes
 - a. Minutes of September 8, 2015 (pp.1-5)
5. Shareholder/Member Comments – Agenda Items Only
(Limited to 3 minutes per person)
6. Correspondence
 - a. Letter re: Pet Policy from Elizabeth Winslow (pp. 6-7)
7. Sub-committee Report (Document Sub-committee)
8. Old Business
 - a. Legal Review of Stock Transfer Documents – Pet Policy and Physician's Certification – Update (pp. 8-12)
 - b. Disclosures on Pre-Listing Review – Update
 - c. New Resident Information Policy 1110-33 to Policy and Procedures Sub-committee – Update
 - d. Member Resource & Assistance Liaison-Scope of Services Provided
 - e. HUD Fair Housing and ADA Workshop for Mutual Boards – Update
 - f. Proposal to President's Council for a Funding Coalition for Legal Council on HUD Fair Housing and ADA – Update

9. New Business

- a. Draft Review of Powers of Attorney Trustees and Inheritor's Assistance Guide – Update
- b. Fee Schedule for Stock Transfer/Attorney Services
- c. Policy 7586.G – Personal Property and Liability Insurance – Discussion (pp. 13-16)

10. Policies

- a. Adopt/Revise (not applicable)
- b. Rescind (not applicable)

11. Staff Reports

- a. Mutual Administration Director Carol Weller
- b. Executive Director Randy Ankeny

12. President's Comments

13. Shareholder/Member Comments
(Limited to 3 minutes per person)

14. Committee Member Comments

15. Next Meeting/Adjournment

- a. Tuesday, November 10, 2015 - Next Committee meeting
- b. Tuesday, October 20, 2015 - Minutes distributed and posted on the Portal
- c. Thursday, October 28, 2015 – Agenda items due to Recording Secretary
- d. Tuesday, November 3, 2015 – Agenda packets distributed and posted on the website



MUTUAL ADMINISTRATION COMMITTEE MINUTES

Administration Conference Room

Tuesday September 8, 2015

1:00 PM

CALL TO ORDER/PLEDGE OF ALLEGIANCE

The meeting of the Mutual Administration Committee was called to order by Chair Rapp at 1:00 p.m., on Tuesday, September 8, 2015, in the Administration Conference Room. Ms. Rapp led the Committee in the Pledge of Allegiance.

ROLL CALL

Present:	Ms. K. Rapp, Chair	Mr. P. Moore
	Mr. L. Blake	Mr. R. Stone
	Mr. P. Hood	Ms. R. Winkler, Ex-Officio
	Mr. B. Lukoff	
Absent:	Mrs. M. Wood	
Staff and Guests:	Mr. R. Ankeny, Executive Director	
	Mrs. C. Weller, Mutual Administration Director	
	Ms. J. Hopkins, Mutual Administration Assistant Manager	
	Ms. C. Miller, Controller	
	Mr. P. Pratt, GRF Representative, Mutual Two	
	Ms. P. Snowden, GRF Representative, Mutual Two	
	Ms. L. Stone, GRF Representative, Mutual Three	
	Mrs. J. Reed, GRF Representative, Mutual Four	
	Ms. M. Greer, GRF Representative, Mutual Eleven	
	Mrs. C. Damoci, GRF Representative, Mutual Twelve	
	Mr. P. Friedman, GRF Representative, Mutual Fifteen	
	Mrs. D. Bennett, Recording Secretary	
	Twelve Shareholder/Members	

CHAIR'S ANNOUNCEMENTS

The Chair welcomed the Committee Members, guests and staff, including the GRF President, the Executive Director, The Mutual Administration Director, the Assistant Mutual Administration Director and the Recording Secretary and she requested that members exhibit an appropriate amount of decorum.

MINUTES

The regular meeting minutes of August 11, 2015 were approved, as presented, by consensus of the Committee.

SHAREHOLDER/MEMBER COMMENTS

Two shareholder/members commented on items on the agenda.

CORRESPONDENCE

The Committee received one piece correspondence regarding the length of a dog leashes; it was resolved that a reply will be sent to the author acknowledging receipt of the correspondence.

OLD BUSINESS

2016 Budget for Cost Center 33, Stock Transfer (Preliminary) and 2016 Budget for Cost Center Mutual Administration (Preliminary)

The Mutual Administration Director presented the 2016 preliminary budget for Mutual Administration (Cost Center number to be assigned).

Two Committee members, the Mutual Administration Director and the Executive Director spoke on the Mutual Administration 2016 preliminary budget.

Mr. Lukoff MOVED, seconded by Mr. Moore and carried unanimously by the Committee members present—

TO accept the 2016 Budget for Mutual Administration (Cost Center number to be assigned).

The Stock Transfer Supervisor presented the 2016 preliminary budget, Cost Center 33, Stock Transfer.

Eight Committee members, the Mutual Administration Director, the Controller, the Executive Director and the Stock Transfer Supervisor spoke on the Stock Transfer 2016 preliminary budget.

Mr. Hood MOVED, seconded by Mr. Moore and carried unanimously by the Committee members present—

TO accept the 2016 Budget for Stock Transfer, Cost Center 33.

Preliminary Filing Solutions – Stock Transfer

The Committee Chair, the Mutual Administration Director, the Executive Director and one Committee member spoke on the topic. The Executive Director's recommendation for the Facilities and Amenities Review (FAR) Ad Hoc Committee to review this topic was accepted by the Chair of the FAR Ad Hoc Committee.

Legal Review of Stock Transfer Documents – Pet Policy, Liability Insurance, Physician's Certification

The Mutual Administration Director advised that the Pet Policy and the Physician's Certification have been sent to corporate counsel for review and will be discussed at the next Committee meeting.

Disclosures on Pre-Listing

The Mutual Administration Director reported that she anticipates a revised draft of the Pre-Listing form formatted to afford greater legibility and storage/filing. The draft document will then be presented to the Physical Properties Committee for review.

Policy 1110-33, New Resident Information

At the previous Mutual Administration Committee meeting, a motion was carried to send Policy 1110-33, New Resident Information, to the Policy & Procedures Sub-committee for review. The Sub-committee has not yet met to review the policy.

Social Services Liaison – Scope of Services Provided

The Mutual Administration Director reported that the Social Services Liaison is reviewing and amending the position description.

HUD Fair Housing and ADA Workshop for Mutual Boards

The Executive Director stated that the proposed additional training on Fair Housing (DEF) for the benefit of all GRF and Mutual Board members will not be able to take place at the end of October 2015 due to conflict of meeting space and attorney availability. A replacement date is being sought for the second half of November 2015.

Proposal to the Presidents' Council for Coalition Funding Legal Counsel at HUD Fair Housing

The Mutual Administration Director met with a few of the Mutuals who indicated a favorable response to the creation of a funding coalition, one dollar per door, to mobilize resources to secure legal counsel at HUD Fair Housing.

NEW BUSINESS

Review of Draft Powers of Attorney Trustees and Inheritors' Assistance Guide

The Chair requested that anyone who wishes to make suggestions to the draft should forward them to the Mutual Administration Director, who will forward them to the Document Sub-committee.

Consensus for Mutuals to Access a Portal

This topic will be resubmitted to the Committee later in the year.

STAFF REPORTS

The Mutual Administration Director presented her report, as attached.

The Executive Director had no new information to add, at this time.

SUB-COMMITTEE REPORT

The Chair of the Document Review Sub-committee reported that review of the Welcome to Sunny Days in Seal Beach and the Bereavement packet is progressing.

PRESIDENT'S COMMENTS

The President introduced the topic of an instructor for the Pilates machine; the topic will be addressed at the next Recreation Committee meeting.

MEMBER COMMENTS

Ten shareholder/members spoke on various items related to the purview of the Committee.

COMMITTEE MEMBER COMMENTS

Five Committee members spoke on the proceedings of the Committee meeting.

CHAIR'S COMMENTS

The Chair thanked committee members, staff and guests for attending and participating in the meeting. The next scheduled meeting of the Mutual Administration Committee will be held on Tuesday, October 13, 2015, at 1:00 p.m., in the Administration Conference Room.

ADJOURNMENT

The Chair adjourned the meeting at 2:30 p.m.

Ms. K. Rapp, Chair
Mutual Administration Sub-Committee
dfb/09.08.15

MOTIONS:

- **TO** accept the 2016 Budget for Mutual Administration (Cost Center number to be assigned).
- **TO** accept the 2016 Budget for Stock Transfer, Cost Center 33.

ACTIONS:

- **TO** refer the Filing Solutions for the Stock Transfer Office to the Facilities and Amenities Review (FAR) Ad Hoc Committee for review.

September 10, 2015



To: Golden Rain Board of Directors

I would like to propose a change in your pet policy. We have a son who visits several times a month with his family. The visits are often cut short by the necessity of returning home to walk his dog. I am certain that we are not the only ones who have problems along these lines. Visitors are very important to people here and I feel everything possible should be done to encourage community ties outside Leisure World. I realize that the safety and comfort of the majority of the shareholders here outweighs the personal inconvenience we personally experience, but if the following steps were taken, I feel both needs could be met.

Leisure World could issue visitor passes for animals. The requirements would be:

1. The owners would provide proof of current vaccinations;
2. Both the owner of the animal and the shareholder would sign an agreement stating that they both assume liability for any problems caused by the pet;
3. They agree to abide by the Leisure World rules requiring animals be on six foot leashes at all times and prompt clean up of their animal's messes.

A twenty dollar per license could be charged for administration fees. Consecutively numbered metal tags can be purchased in bulk for about sixty cents apiece when a hundred are purchased at a time. Passes could consist of a colored business card. The cost of the program would be low and self sustaining. The fee would discourage casual overuse. Visiting animals should pose no more of a threat to the community than the resident animals now pose.

Enclosed is a sample Agreement that could be a condition of obtaining a pass. Thank you for your consideration.

Sincerely,

Elizabeth Winslow

Mutual Eight, 205H

Leisure World Animal Visitor Agreement

Original Issue valid until _____

First renewal valid until _____

Second renewal valid until _____

Third renewal valid until _____

Pet's name _____

Description of animal:

Species _____

Breed _____

Coloring _____

Weight _____

Vaccinations expire on _____ this pass must be renewed at this time.

Owner

Owner's name: _____

Owner's address: _____

Owner's phone number : _____

Leisure World Sponsor

Sponsor's name: _____

Sponsor's address: _____

Sponsor's phone number : _____

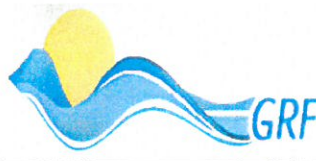
I state that this pet has valid vaccinations. I understand my pet must be kept on a leash no more than six feet in length whenever it leaves the hosting unit. I agree that I will promptly pick up and dispose of all droppings.

I assume all responsibility and liability for any injury or damage caused by my animal and further agree to indemnify Leisure World and its entities for any lawsuits brought because of my pet, including reimbursement for all legal fees incurred.

Owner _____ Dated: _____

Leisure World Sponsor _____ Dated: _____

Fee: \$20.00; Renewal: \$1.00



Mutual Administration
Mutual Administration Director

October 1, 2015

To: Presidents' Council
From: Carol Weller, Mutual Administration Director
Subject: Limitations to Mutual Pet Policy 7501
Federal Guidelines for Emotional Support Animals (ESA)

THE FOLLOWING DOES NOT CONSTITUTE A LEGAL OPINION AND IS PROVIDED SOLELY ON AN INFORMATION BASIS.....Each Mutual is recommended to contact their individual legal counsel for guidance.

ESAs and service animals **are not considered pets**, but rather are seen in the eyes of the law as devices needed to provide the disabled person the ability to perform major life activities.

California Courts have held that:

1. Training is not required where an animal is necessary for mental health purposes.
2. The animal must perform a service that mitigates the disability and helps compensate for the tasks the disabled person cannot perform alone.
3. (Auburn Woods I Homeowner's Ass'n v. Fair Employment and Housing Com'n, 121 Cal. App. 4th 1578 (2004) (finding that the innate qualities of an animal helped alleviate the symptoms of depression, a legally defined mental disability).
4. Therefore, these types of animals have been referred to as companion, comfort or Emotional Support Animals (ESA.)

Federal Law (FFHA)

Housing Corporations are required to make reasonable accommodations to their policies and practices for persons with legally defined disabilities. Therefore, Boards are required to make exceptions to rules when necessary to accommodate a disabled person.

The FFHA defines "handicap" or "disabled" as:

1. "A physical or mental impairment which substantially limits one or more major life activities, or
2. Having a record of such an impairment, or
3. Being regarded as having such an impairment."
4. It further defines "major life activities" as "functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, and working."

With respect to disabilities, the FFHA defines discrimination as:

1. "A refusal to make reasonable accommodations in rules, policies, practices, or services, when such accommodations may be necessary to afford a disabled person an equal opportunity to the use and enjoyment of a dwelling."

The FFHA requires housing corporations to make reasonable exceptions in their policies and regulations to afford people with disabilities equal opportunities. For example, a housing corporation with a "no pet" policy may be required to grant an exception to this rule, and allow an individual who is legally disabled to keep and maintain a service animal, emotional support animal, and/or comfort animal. Federal courts further require a relationship or (NEXUS) to be established between the animal and the disability. Currently, under federal law, there is no clear or specific requirement as to the amount or type of training of the animal.

A disability, for purposes of FEHA, includes any physical and mental disability as defined in Government Code Section 12926 as:

1. "Any mental or psychological disorder or condition, such as intellectual disability, organic brain syndrome, emotional or mental illness, or specific learning disabilities, that limits a major life activity, ... or ...
2. Any other mental or psychological disorder or condition that requires special education or related services."
3. Mental disability includes any mental or psychological disability or condition that limits a major life activity. Major life activities are to be broadly construed and include physical, mental, and social activities and working. (Government Code § 12926(i)(1)C.) A disability is defined pursuant to California Government Code Section 12940, et. seq., as, among others, a physical or mental disability, medical disability or disease.

CALIFORNIA LAW

- California State Law requires the housing corporations to make reasonable accommodations in their policies and regulations to afford people with disabilities equal opportunities.

- California Fair Employment and Housing Act ("FEHA"). FEHA requires housing corporations to make "reasonable accommodations" to persons with disabilities.

Unruh Civil Rights Act - UCRA

As of January 1, 1988, the Unruh Civil Rights Act ("UCRA") prohibits:

1. Discrimination in business establishments based on, mental or physical disability. (Civil Code Section 51.)
2. Community associations are businesses for purposes of the UCRA, and therefore: All community associations are prohibited from discrimination on the basis of one's disability

DETERMINING WHETHER A REASONABLE ACCOMMODATION IS REQUIRED

Verifying the Disability

A number of courts have found that once a person claims to be disabled, corporations have a duty to examine the facts. The best course is to seek and rely on professional medical advice from the health practitioner who is treating the person (i.e., a treating physician) claiming a disability. The request for an emotional support animal is usually accompanied by a letter from a treating physician or licensed therapist establishing that the member (prospective) suffers from "stress" and "anxiety," and that the animal is essential to his/her "wellbeing" and "wellness."

Reasonable Accommodation Must Relate to the Disability

Once the Board verifies the needed information by the providing physician's letter, it is required to grant a "reasonable accommodation," which in this case may include a variance from the current pet policy. The exceptions depend on the nature of the disability and the particular needs for the requested variance.

Although a shareholder may be granted an exception from a rule prohibiting pets over a certain weight limit, etc. the housing corporation would not be required to grant an exception from rules pertaining to health and safety, such as rules requiring animals to be on a leash while in the Common Area or removal of pet waste from the Common Area.

1. Must this community recognize and allow into the mutual an emotion support animal, regardless of size or number?

Yes, if the Board has investigated the claimed disability, and has proper documentation that establishes:

- a. The resident has a disability recognized by Federal law or state law; and
- b. The nexus between the disability and the services provided by the ESA to assist the resident with a major life activity.

2. How best to amend or change the current pet policy to include ESA?

Each Mutual Board should forward this information to their individual legal counsels for review and action to take in order to be in compliance with all aspects of the Emotional Support Pet and any provisions which must be added to the current Pet Policy 7701.

3. Can the community limit the number of ESAs in a unit?

Unfortunately, no, unless a shareholder is unable to provide the required documentation to which the Board is entitled to request and consider for any one of the requested number of ESAs. It is important to note, that ESAs and service animals are not considered pets, but rather are seen in the eyes of the law as devices needed to provide the disabled person the ability to perform major life activities. In other words, service animals and ESAs are no different than a wheelchair or canes. The disabled resident cannot be allowed to have an unlimited number of ESAs, or service animals. The resident must be able to show that each such animal is necessary to accommodate their disability, and such accommodation is reasonable.

4. Can any such pet policy require some form of a doctor's certification as to the need the ESA?

Yes. As stated above, the Board has the ability to seek due documentation from a licensed treating physician, or therapist not only stating that the animal is needed, but showing a nexus and reasonableness between the disability claimed and the service provided by the ESA.

5. Can any such pet policy require some form of a doctor's certification as to the shareholder's ability to care for a pet or ESA?

No, the inability to care for a service animal cannot be the reason for not allowing same. In addition, a doctor probably would not be willing to make such statement or certification as the level of care a person can provide to an animal is outside a doctor's scope of knowledge or expertise. Rather, the Board's ability to address a resident's inability to care for an animal is through enforcement of rules and regulations. If a resident cannot care for an animal, the Mutuels can initiate corrective action. For example, if violations exist, such as pet waste left in common areas, excessive barking, or aggressive behavior, proper action can and should be taken. Local animal control or social services can also be contacted when appropriate. Simply because a resident is entitled to an ESA or a service animal does not mean they are exempt from following the rules and regulations of the community, including the nuisance provisions.

6. Can the community disallow dogs such as Rottweiler's, Staffordshire Terriers (put bull breeds), etc.? Further, can the community disallow farm animals . . . pigs, chickens, miniature horses, just to name a few?

Technically, yes a corporation can ban certain breeds of animals when it comes to pets. However service animals or **ESAs are not pets** and are treated differently. The premise is that the animal which the resident is requesting to be exempt from the pet rules arguably provides a very specific service or emotional support that may be unique to that animal and that animal's relationship with the disabled resident. When dealing with the disabled, breeds should not be regulated and, instead, focus should be on the behavior of the specific dog, as banning breeds does not necessarily guarantee good natured dogs. For instance, some feel that four pound Chihuahuas are just as aggressive as Rottweiler's. Further, people frequently attest to Pit Bulls as being extremely docile and well-behaved. It is also extremely difficult to prove the "breed" of a dog, when its owner refutes same.

IMPORTANT: Based on the foregoing, it is much more prudent to have rules and regulations that give the Board the tools it needs to address any and all vicious and aggressive dogs, regardless of breed. Should the Board be interested in drafting such rules, please seek the assistance of your attorney.

Farm animals can definitely be banned from the community for the purposes of pets. The exception is that miniature horses are recognized by federal guidelines as approved service animals. Therefore, if a resident seeks Board approval to keep a miniature horse in the community as a service animal or ESA, the Board cannot adopt a blanket policy to refuse same. Once again, the same rules and regulations would apply to the miniature horse, and if there are violations, the Board can seek enforcement, which may result in the removal of the animal from the community.



Mutual Administration
Mutual Administration Director

October 1, 2015

To: Presidents' Council
From: Carol Weller, Mutual Administration Director
Subject: Eligibility Requirements –Policy 7510
Doctor's Note

THE FOLLOWING DOES NOT CONSTITUTE A LEGAL OPINION AND IS PROVIDED SOLELY ON AN INFORMATION BASIS.....Each Mutual is recommended to contact their individual legal counsel for guidance.

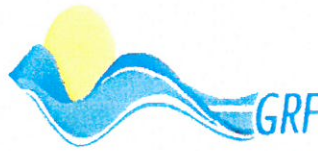
1. Can the Mutuels make "reasonably good health" a requirement of membership in the community?
2. Can the Mutuels require a physicians certification as to "reasonably good health" before a person is able to reside in the community?

Yes, the Mutuels can make "reasonably good health" a requirement of membership. In order to mitigate possible legal challenge to this requirement...a more definitive description of "reasonably good health" should be considered, such as:

"Reasonably good health" means an applicant is able to enjoy all life's major activities without assistance, including but not limited to, mobility, bathing, cooking and otherwise "living independently." If the applicant cannot provide such documentation from their physician, they need to show evidence that a qualified caregiver will be caring for the applicant if they are approved by the Board.

Though a prescription pad declaration verses a Doctor's letter on letterhead stationary holds no difference in a court of law...requiring a formal letter from a treating physician on their letterhead may make the doctor pause before making a representation which may be less than accurate.

IN OTHER WORDS, REQUIRING SOMETHING MORE SUBSTANTIAL THAN AN INFORMAL NOTE SCRIBBLED ON A PRESCRIPTION PAD MAY RESULT IN DOCTORS MAKING A MORE THOROUGH AND COMPLETE EVALUATION OF THE PATIENT BEFORE RENDERING A WRITTEN OPINION.



Mutual Administration
Mutual Administration Director

October 1, 2015

To: Presidents' Council – Mutual Presidents
From: Carol Weller, Mutual Administration Director
Subject: Draft Copy of Policy 7586.G - Personal Property and Liability Insurance

Attached for your review at the Presidents' Council on Thursday, October 1st is the fully vetted draft of the proposed Personal Property and Liability Insurance Policy (7586.G.)

As the presidents of your Boards, the requested action is that you fully review all aspects of this policy and be prepared to discuss any portions of the provisions set forth therein. It is the intent that this policy be globalized so that the entire community of all Mutuels becomes compliant with one policy rather than multiple policies as they relate to insurance coverage.

Some of the important issues contained in this policy are:

- Shareholders shall maintain general liability insurance at their own expense.
- Shareholders shall provide proof of insurance naming the Mutual as the "Additional Insured."
- Shareholders shall be liable for their negligence resulting in damages to persons or property.
- Shareholders shall obtain coverage for their own living expenses in the event of an incident.
- Shareholders shall be required within 60-days of the passage of this policy, to provide proof of insurance to the mutual.
- If found to be at fault for an insurance incident which triggers the deductible, shareholder shall be responsible to reimburse the Mutual for that deductible.

The opinions and suggestions of all Mutual Boards will be welcome and addressed as they are made. This has been and will continue to be a collaborative project amongst the Mutual Boards. This is not deemed to be a finished policy, but rather an opportunity to inclusively invite into the discussion many suggestions.

MUTUAL OPERATIONS**DRAFT****SHAREHOLDER/RESIDENT REGULATIONS**Personal Property and Liability Insurance**Definitions:**

The Seal Beach Mutual Corporation shall be referred to as the "Mutual."

The Mutual's shareholders shall be referred to as "shareholders."

Shareholder's apartments shall be referred to as "units."

Shareholder's Responsibility:

Shareholders, whether residing in their unit or not, shall carry general liability insurance – sometimes referred to as homeowner's insurance HO6 – with proper liability coverage. The general liability insurance policy shall cover the contents of their unit, any damage to their unit, any damage to the property owned by third-parties, and any personal injury occurring in the shareholder's unit or adjacent property, for which the shareholder is responsible. The general liability insurance policy requirements are set out below.

The shareholder shall:

- Obtain and maintain a general liability insurance policy, at his/her/its sole expense.
- Be liable for the cost of any deductible their policy has with respect to any claim for which a shareholder is insured and is liable.
- Obtain general liability insurance in an amount sufficient to cover personal injury to other persons who may be injured in their unit or on other property they are required to cover but in no event less than \$300,000.00.
- Name the Mutual as an additional named insured, loss payee, or person of interest requiring a 30-day notification of non-payment of premium or 10-day notice of cancellation.
- Ensure that the broker and/or carrier, as a condition of the coverage, shall notify the Mutual within 10 days if the policy is canceled to the

MUTUAL OPERATIONS**DRAFT****SHAREHOLDER/RESIDENT REGULATIONS**Personal Property and Liability Insurance

Golden Rain Foundation, Stock Transfer Office, P.O. Box 2069, Seal Beach, CA 90740.

- Provide the Mutual with a copy of the general liability insurance policy as proof of insurance; a certificate of insurance will not suffice as a substitute for the policy.
- Ensure that the general liability insurance policy covers personal property stored or parked on the street or in the carport, such as property stored in or under the storage cabinets. With respect to a vehicle, a shareholder's automobile insurance policy may cover this risk. Please consult with your insurance agent.
- If a pet owner, policy must cover the shareholder in the event shareholder's animal causes bodily injury or property damage to a third party.

The shareholder should:

- Obtain coverage for additional living expenses, for no less than twelve months, should the shareholder be unable to occupy the unit for any period of time while repairs are made to their apartment.
- Obtain coverage to insure the value of any high value personal property that would not normally be covered by a general liability policy. For example, artwork, jewelry, antiques, or other items that would not normally be covered by a general liability policy for full replacement value. This is sometimes referred to as scheduling coverage for replacement value. This coverage is usually at an additional cost.

If the shareholder is a current shareholder at the time this policy comes into effect, the shareholder must provide to the Mutual proof of insurance within 60 days of the posting of this policy. If a person becomes a shareholder or changes units after this policy is effective, the shareholder must provide to the Mutual proof of insurance within 30 days from the date the shareholder enters into the Occupancy Agreement.

(Draft created 09-28-15 cd)

MUTUAL OPERATIONS**DRAFT****SHAREHOLDER/RESIDENT REGULATIONS**Personal Property and Liability Insurance

The shareholder is not relieved of any liability due to the shareholder's failure to insure their property.

Property Damage:

Notwithstanding any other provision in the governing documents, each shareholder shall be liable for his/her/its own negligent or intentional actions resulting in damage to property or personal injury, including the cost of any Mutual insurance deductible that shareholder causes the Mutual to incur. The shareholder is solely responsible for the cost of any damage caused by his/her/its own negligent or intentional actions, including repairing or replacing any damage he/she/it causes to any personal property in the unit, such as furnishings, interior improvements, floor and wall coverings, appliances, fixtures and any damage to the unit, any other unit, or the building caused by water intrusion from whatever source, fire, or any other cause.

The Mutual shall only be responsible for the routine maintenance, repair, or replacement of any common areas or facilities such as the unit roof system and for its own or its agents' and employees' negligent or intentional acts. The Mutual reserves shareholder's money to maintain, repair, and replace shareholder's standard fixtures, appliances, and plumbing systems but shareholder is responsible for any damage caused by the failure of these fixtures, appliances, or plumbing systems.

Although a shareholder may be unable to occupy the unit while repairs are being made, the shareholder shall, nonetheless, be responsible for any living expenses incurred during repairs and the monthly assessment on the shareholder's unit regardless of who caused the damage. The shareholder, may, however, be indemnified by another person who is liable for the damage making the unit uninhabitable.

MUTUAL / ADOPTION

ONE thru SEVENTEEN:

(Draft created 09-28-15 cd)