

MUTUAL OPERATIONS**SHAREHOLDER REGULATIONS****Building Captain Policy – Mutual Eight****1. PURPOSE**

The real property governed by Seal Beach Mutual No. Eight (“Mutual Eight”) is comprised of twenty-nine (29) buildings. Each building contains twelve (12) units. Mutual Eight assigns a Building Captain to each building.

Building Captains are integral to the governance of Mutual Eight. Their function is to enhance the welfare, and cooperative living style of the shareholders. Thus, this Building Captain Policy (“Policy”) is adopted to establish formal rules and policies governing Building Captains for Mutual Eight.

2. APPOINTMENT

The Board of Directors (“Board”) of Mutual Eight may appoint a Building Captain to each of the twenty-nine (29) buildings in the community. The Building Captain will serve each of the twelve (12) units in his or her assigned building, unless the Board allocates the assignment in a different manner, which it retains the right to do.

3. TERM

Building Captains shall serve for a term of one (1) year unless terminated by the Board. There is no limit on consecutive terms that a Building Captain may serve.

4. DESCRIPTION OF DUTIES

The Building Captain’s duties shall be prescribed and directed by the Board. At this time, some of the Building Captain’s fundamental duties include, without limitation: (1) hand delivering notices, Board meeting minutes, and other documents; (2) making themselves available to, and speaking with, residents, about any issues they may be experiencing, and transmitting that information to the proper party, if necessary.

5. COMPENSATION

The Building Captain shall not receive compensation from the Mutual, the Board, or any shareholder for serving as a Building Captain. Notwithstanding the foregoing, the Building Captain may be reimbursed for reasonable out-of-pocket expenses which were incurred with the prior approval of the Board.

6. QUALIFICATIONS

A. Each Building Captain shall, at all times:

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- (i) Be a shareholder¹ of Mutual Eight;
- (ii) Maintain his or her primary residence on site at Mutual Eight;
- (iii) Comply with the governing documents of Mutual Eight—i.e., without limitation, Bylaws, Mutual Policies, and Occupancy Agreement, including for the three (3) months immediately preceding the date of appointment;
- (iv) Cure any non-monetary violation of the governing documents involving the Building Captain or the Building Captain's unit within fifteen (15) days after written demand by the Board, or within such other cure period as the Board may establish, subject to applicable due process requirements;
- (v) Be current in the payment of all carrying charges or other charges levied by Mutual Eight, including for the three (3) months immediately preceding the date of appointment; and
- (vi) Exhibit respect, professionalism, and courteous behavior to residents, shareholders, Board members, committee members, vendors, GRF and its staff, any persons associated with or retained by Mutual Eight, and any persons residing in Mutual Eight pursuant to special status, such as caregivers.

B. In addition to the qualifications enumerated in subdivision A of this Section 5, no Building Captain shall:

- (i) Be a party to any alternative dispute resolution proceeding or civil action by or against Mutual Eight or the Board;
- (ii) Be delinquent more than forty-five (45) days in the payment of any carrying charge or other charge levied against the Building Captain and/or the Building Captain's unit;
- (iii) Be delinquent in the payment of any carrying charge or other charge levied by Mutual Eight more than once in any fiscal year;
- (iv) Have been convicted of, or plead guilty to, a felony;
- (v) Have been declared of unsound mind by a final order of court;
- (vi) Act in a manner determined by a majority vote of the Board to be grossly detrimental to the general safety, health or welfare of Mutual Eight and/or its shareholders or residents; or
- (vii) Fail to comply with the provisions or requirements of this Policy, any code of conduct, commitment pledge or other similar document/policy now or hereafter adopted by the Board.

¹ If a trust is a shareholder, a trustee of the trust on record title may be eligible to serve as a Building Captain.

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7. REMOVAL/RESIGNATION

No person may be appointed as a Building Captain, or serve as a Building Captain, unless he or she meets that qualifications enumerated in Section 6. Any person who ceases to meet the qualifications for a Building Captain shall be deemed to have resigned as a Building Captain upon the occurrence of the non-qualifying event, and the Board shall have the power to immediately appoint a replacement Building Captain.

Further, the Board, in its discretion, may vote to remove a Building Captain, at any time and for any reason. The Building Captain serves at the sole discretion of the Board, and may be removed with or without cause and without prior notice.

MUTUAL

ADOPTION

AMENDMENT

EIGHT

12-19-17