

FIRST WALNUT CREEK MUTUAL

POLICY MANUAL

The Policies set forth in this Manual were approved by First Walnut Creek Mutual Board of Directors on September 26, 2014. All policies adopted or enacted by the Board prior to such dates are hereby repealed and rescinded and replaced in their entirety by the Policies set forth herein.

If this document contains any restrictions based on race, religion, gender, sexual orientation, familial status, marital status, disability, national origin, ancestry or source of income as defined in subdivision (p) of Section 12955 that restriction violates State and Federal Fair Housing Laws and is void, and may be removed pursuant to Section 12956.2 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

9/26/14
1/26/18
9/28/18

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9/26/14
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ALTERATIONS

A. INFORMATION CONCERNING ALTERATIONS AND IMPROVEMENTS

Residents contemplating alterations or modifications (collectively, "Alterations") are required to contact the Mutual Operations Division Alteration Inspection Department ("MOD") at 988-7660 for information, and where required under this Policy, submit an Alteration Application and obtain an alteration permit ("Alteration Permit") before proceeding with work. This is necessary to maintain the aesthetic beauty and value of our property, and to satisfy all legal, governmental, architectural, security and safety requirements.

Alteration Permits are required for all Alterations affecting: structural stability of the building, electrical, heating/air conditioning, plumbing, additions or replacements; including, but not limited to, the following items:

STANDARD ALTERATIONS

Awnings	Basswood & Suntex Shades
Bathrooms-Tub to Shower Conversions & Bathtub Replacement	Carport Storage Units
Ceiling Fans	Chairlifts
Fire Rated Deck Walls (bet. manors)	Electric Vehicle Charging Stations
Fire Rated Deck Ceilings/Floors	Electrical:
Flooring	-Installation of electric outlet in carport or golfport
Front Doors	-Upgrades and additions to electrical system ¹
Handrails	Kitchen Remodels
Insulation	Microwave Hood
Lighting	Screen Doors
Satellite Dishes	Washer/Dryer Installation
Skylights-Solar Tubes	Wrought Iron Fences and Gates
Windows	

(These alterations will be approved at Mutual Operations Division).

¹Including but not limited to upgrades and additions to the common area electrical system to accommodate Electric Vehicle Charging Stations and/or recharging of electric vehicles. As applicable, compliance with the Mutual's Parking Policy (Section 3.0) and Electric Vehicle Charging System Policy (Section 26.0) shall also be required.

NON-STANDARD ALTERATIONS

Atrium Covers/Enclosures
Balcony Enclosures
Structural Changes to the Interior

Balcony Covers
Concrete Slabs-Patio
All Others

(Non-standard alterations must be approved by First Walnut Creek Mutual Architectural Control Committee).

Alterations may also require a Building Permit from the City of Walnut Creek ("Building Permit").

B. PROCEDURE FOR APPLYING FOR AN ALTERATION PERMIT

Only a member of the Mutual ("Member") may submit an Alteration Application and apply for an Alteration Permit. The steps that must be taken by each Member who applies for an Alteration Permit ("Applicant") and the procedures for obtaining an Alteration Permit are outlined below. The Member is responsible for assuring that all the proper procedures are followed and all required approvals and Permits obtained.

1. Applicants seeking permission to install an Electric Vehicle Charging System shall also comply with the requirements imposed by the Mutual's Electric Vehicle Charging System Policy (Section 26.0).
2. Applicant should contact one or more contractors selected from MOD list of authorized contractors for a written bid. Members may choose another contractor who qualifies by meeting the requirements of the MOD.
3. The bid should be a detailed contract proposal outlining the total scope of the project. The contractor must submit 4 complete sets of plans/drawings to MOD for Mutual review and for obtaining approval and the Alteration Permit.
4. In addition to obtaining an Alteration Permit from the Mutual, Applicants are responsible for complying with all governmental requirements and procuring such Building Permits as may be required by law.
5. Applicant shall submit the completed Alteration Application, required fee payable to Mutual Operations, and 2 complete sets of plans/drawings to MOD at 800 Rockview Drive, Walnut Creek, CA 94595 for review and approval by the Mutual's Board, which acts as the Architectural Control Committee (ACC). MOD will furnish a fee schedule for Alteration Permits and inspections. The ACC meets each month to review major or non-standard alterations. Minor or standard alterations are reviewed by MOD under authority granted by the Mutual's Board.

6. If the Alteration Application is approved by the ACC, the Alteration Application and submittals by the Applicant and/or contractor (collectively, "Alteration Package") will be returned to MOD. The Applicant and/or contractor will then be notified by MOD to pick up the permit card, sign the Alteration Agreement and pay the necessary fees to MOD.
7. The Applicant will be notified in writing whether the Alteration Application has been approved (with or without additional conditions) or denied. If denied, the Applicant will be given written explanation of why the request was denied.
8. If a Building Permit is required, the Applicant is responsible for submitting such documents and paying such fees to the Walnut Creek Building Department as are necessary to obtain the required Building Permit(s).
9. The alteration project must be inspected by MOD and if applicable, the City Building Department, after the framing, plumbing, electrical, insulation, etc. have been completed, but before covering by siding, sheetrock, paneling, etc. The MOD inspection is accomplished by calling MOD at 988-7660 and requesting a framing inspection by an MOD Alteration Inspector. Where required, the City of Walnut Creek Building Inspector must inspect the completed project for compliance with all applicable State and City building codes and the Applicant is responsible for arranging any required City inspection. The MOD Alteration Inspector will inspect for design and finish compatibility with existing structures and compliance with the Mutual's requirements. Corrections that are required by the City of Walnut Creek Building Inspector and/or MOD Alteration Inspector will be indicated by the inspector(s) on the City Permit Card and/or Alteration Permit as applicable. The Applicant is responsible for calling the contractor to make corrections.
10. The Applicant or contractor must call MOD at 988-7660 to arrange for a final inspection and sign off by MOD after full completion of the project. The Applicant must also contact the City Building Department to arrange and final sign off by MOD. This is after clean-up and adjustment of problems, and before final payment. Only after completion of all corrections, final inspection and issuance of all permits (i.e., the Alteration Permit and if required, the City Building Permit) should the Applicant makes the final payment to the contractor.

C. MEMBER ALTERATION AGREEMENT RESPONSIBILITIES

1. The Member is responsible for the sufficiency of all plans and specifications, and for compliance with the Mutual's requirements and applicable City codes, selection of contractor, and performance of work.

2. The Member, in signing the Alteration Application, agrees to all of the terms and conditions imposed upon Member, meaning that the executed Alteration Application also constitutes an "Alteration Agreement" binding upon the Member and the Member's heirs, successors and assigns.

D. ALTERATION ROOFING POLICY

1. New alteration roofs are to be constructed using roofing materials that meet the Mutual requirements. After acceptance by the Mutual, the roof will then become the responsibility of the Mutual for future repair and replacement.
2. Existing alteration roofs not built to Mutual specifications will be reroofed when the building is reroofed as part of a Mutual reroofing program at Mutual expense. The alteration roof will then be the Mutual's responsibility for maintaining watertight integrity.
3. Any structural or cosmetic work required when reroofing an alteration roof installed by a Mutual member will be performed on a time and material basis, and will be charged back to the Member at the Mutual's cost (i.e., without mark-up) and payable upon receipt of the Mutual's invoice.
4. Members who have reroofed an alteration to an acceptable standard within the period of 1993 through 2000 can be reimbursed on a straight line amortization basis with deduction of 1/8 of reroof cost for each year of roof life. Initiation of the reimbursement process is the responsibility of the Member.
5. Any Mutual-approved skylights, vents or other penetrations that are to be installed through the roof of a Mutual residential building at a Member's request shall be performed by the Mutual's roofing contractor as a condition of the roof warranty. All costs and expenses for the work will be charged back to the Member at Mutual's cost (i.e., without mark-up) and payable upon receipt of the Mutual's invoice.

E. OWNER INITIATED ALTERATION: HARD SURFACE FLOORS

1. Ground Floor Manors. An Alteration Permit is required for the installation of any hard surface floor covering in any area of the manor for manors located on the ground floor. This includes hard vinyl, tile, laminate or hardwood flooring. Hard surface flooring installed before May 1, 2002 without an Alteration Permit will be deemed a Mutual-approved Alteration if the Member submitted an Alteration Request to MOD no later than May 1, 2008 showing the date of installation and materials used. The Mutual's approval will be issued at no cost and will become part of the manor's permanent records.
2. Upstairs Manors. In manors located above the ground floor, any flooring material

or combination of materials which result in an IIC rating greater than 40 will be approved for kitchens, bathrooms, extended entryways and hallways upon presentation of manufacturer's or industry-accepted testing results verifying such a rating. Manors having a hard surface covering approved and installed prior to May 1, 2002 or for which an Alteration Permit has been approved prior to May 1, 2002 will be considered Mutual-approved Alterations. If hard surface flooring (other than vinyl flooring in the kitchen, bathroom and entry area) is installed in an upstairs manor after May 1, 2002 or approved prior to May 1, 2008, the Mutual has the right to remove such flooring at the time of discovery, or at the time of resale, in either event at the Member's expense.

3. Liability Release Form. Each Member who receives an Alteration Permit to install hard surface flooring in his or her Manor shall be required to sign and submit a "Hard Surface Flooring Liability Release Form" in the form required by the Mutual prior to installation.

F. WASHER/DRYER WATER SUPPLY LINES

1. All installations of a stackable washer/dryer or standard washer/dryer system after March 28, 2003, shall be required to have braided stainless steel water supply lines installed to afford a secure connection and a longer lifespan over conventional rubber hoses.
2. In addition, at the time of resale the MOD Alteration Inspector shall determine the type of connectors installed and will have the authority to require the selling Member to upgrade the supply lines to the existing washer/dryer system to meet the standards set forth in paragraph F.1 above.

BUILDING MAINTENANCE

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A. GENERAL INFORMATION

1. Building Exteriors.

All exterior parts of the residential building are maintained by First Walnut Creek Mutual, including the roof.

2. Mutual Responsibility.

Except in instances of negligence or misuse by the Member, manor occupants or guests, the Mutual is responsible for the maintenance, repair and replacement of air conditioners, furnaces, garbage disposals, refrigerators, water heaters, kitchen ranges, hoods and ovens. Also the Mutual is responsible for repairs necessary due to defects in original construction. Other than these specifically cited items, Members are responsible for the interior of the manor, including kitchen and bathroom plumbing fixtures, floor and window coverings and painting.

3. Alterations.

Residents are allowed to make alterations to their manors under proper permits. They are also allowed to install dishwashers, washer/dryers, microwave ovens, etc. All such structural changes and appliance installations except roofing become the total responsibility of the resident and future residents. Members who want to make alterations to their Manors must comply with the applicable requirements of Policy Manual Section 1.0 Policy entitled "Alterations."

4. Members' Assumption of Responsibility.

All buildings in First Mutual were constructed between 1964 and 1966. Many changes may have taken place in a particular manor over the years. In purchasing one of these residences, the Member (as the buyer) agreed to assume maintenance responsibility for all alterations (such as structural or aesthetic upgrading) which had taken place. Those items can range from simple upgrading of an oven to addition of a room.

B. MAINTENANCE GUIDELINES

The following specifics are for Members' information and guidance. In all instances cited as Mutual responsibility, Members should be aware that they will be billed for any repair or replacement required due to misuse or negligence by the Member, Manor occupants or guests.

1. Air Conditioners.

The Mutual is responsible for air conditioners, from instructing Members and residents on how best to use the system to the steps that the Member must take to arrange for Mutual replacement of a worn out or broken down unit.

2. Doors/Windows.

A. The Mutual is responsible for exterior doors and windows, including replacement of window screens and weather-stripping of the entrance door and the original exterior sliding glass doors and exterior windows. Front screen doors are the responsibility of the Member except for standard mill storm doors on Golden Gate models which are the Mutual's responsibility.

B. Notwithstanding Section 2.A above, Members are responsible for any upgraded (i.e., Member-installed) exterior doors or windows plus all interior doors; including bedroom closet sliding doors, kitchen cabinet doors and shower doors. After January 1, 2012, the previously required style of large windows, designated "X-0-X" (narrow windows which open on each side of a larger, central, non-opening window) will no longer be required for window replacement.

C. Original doorbells and any replacements provided by the Mutual are the Mutual's responsibility.

3. Electrical.

A. The Mutual, at its determination, will repair or replace electrical circuits, switches and outlets that were a part of the original construction.

B. Circuit breakers are the responsibility of the Mutual, and they will be reset at no charge during regular working hours. After hours and on weekends and holidays Rossmoor's public safety personnel (telephone number 939-7899) should be contacted and will reset circuit breakers if they are capable of doing so. However, Members will be charged if the breakers have to be reset after hours or on weekends or holidays by Mutual personnel or contractors.

C. All lighting fixtures controlled by interior switches are the responsibility of the Member, including replacement of plastic lenses and bulbs, with the exception that the Mutual will repair or replace ballasts in standard kitchen fixtures as necessary.

D. The Mutual is responsible for bathroom fans and the fan over the stove, including venting, unless these fans have been replaced by the resident. All other fans are the Member's responsibility.

- E. At the time of manor resale or remodeling, wiring associated with dishwasher installations is required to be brought up to the then-current Uniform Building Code at the Member's cost.

4. Faucets.

Exterior faucets and those in patio or atrium areas will be repaired or replaced as judged necessary by the Mutual. All interior faucets are the responsibility of the Member.

5. Floors.

A. Member responsibility

The installation and maintenance of all flooring materials are the responsibility of the Member.

B. Carpet or vinyl flooring

Details and requirements concerning carpet and sheet vinyl flooring are contained at Section 1.0 of the Policy Manual entitled "Alterations."

C. Hard surface flooring

Details and requirements concerning hard surface flooring are contained at Section 1.0 of the Policy Manual entitled "Alterations."

D. Alteration Permit

When installing flooring, the Member must obtain an Alteration Permit if required by Section 1.0 of the Policy Manual entitled "Alterations" and comply with all other applicable requirements set forth in Section 1.0.

E. Floor damage

The Mutual will not be responsible for floor damage resulting from misuse or negligence by the Member, manor occupants or guests. If it is determined that floor damage is caused by a Mutual-maintained component, the Mutual will be responsible for the cost of replacement. The replacement value will be established by the Mutual by using the equivalent cost of standard grade flooring. Replacement will be only for the damaged area/room and the Mutual cannot guarantee matching existing hard-surface or other types of flooring designs in other rooms. Any upgrading beyond equivalent standard grade flooring will be at the expense of the Member.

6. Furnaces.

The Mutual is responsible for furnaces, from instructing Members on how best to

use the system to the steps that the Member must take to arrange for Mutual replacement of a worn out unit. The Mutual will also re-light the furnace pilot light. The furnace filter will be replaced by the Mutual once a year as a part of the annual inspection.

7. Kitchen Appliances.

Standard model garbage disposals, cooktops, ovens, hoods and refrigerators are the responsibility of the Mutual, except for bulbs, interior trays, racks, and other small separable items. If, in the judgment of the Mutual, the appliance becomes inoperable, it will be replaced at the Mutual's expense. This policy applies to the appliances originally supplied by the Mutual, to GE replacements, and to appliances installed by PG&E. Garbage disposals which are jammed by foreign objects, clogs or neglect and repair or replacement required due to the misuse or negligence of the Member, manor occupants or guests are the responsibility of the Member.

8. Locks.

Residents are responsible for all deadbolt locks installed anywhere in the manor plus any locks which are installed by choice. The Mutual will repair or replace original locks as necessary for front doors and storage doors. Additional keys and locksmithing are not provided by the Mutual.

9. Painting.

All exterior painting is the responsibility of the Mutual, including surfaces of doors and exterior surfaces of closed deck or patio. Members are responsible for painting of any interior walls, doors or other interior surfaces, with the exception of damage caused by defects in original construction.

10. Pilot Lights.

The Mutual is responsible for maintaining (re-lighting if necessary) pilot lights for both furnaces and water heaters. After hours and on weekends and holidays Rossmoor's public safety personnel (telephone number 939-7899) should be contacted and will re-light pilot lights.

11. Plumbing.

a. All maintenance, repair or replacement of kitchen and bathroom fixtures (e.g., sinks, bathtubs, faucets, toilets and showers) are the responsibility of the Member.

b. Members are also responsible for all hoses connected to dishwashers and washers.

c. The Mutual is responsible for (1) drain stoppages beyond where pipes penetrate the drywall, (2) for plumber's putty seals (wax rings) between the toilet bowl and the sewer line at the floor level, and (3) overflow plumbing gasket for original bathtubs.

d. The Mutual is responsible for angle stops at plumbing fixtures. Members are responsible for all supply lines leading from the angle stop to the fixture.

e. The Mutual's responsibility does not extend to additional supply lines brought in through alterations to the manor; e.g., washers and dryers, dishwashers, ice makers, bathroom additions, or any similar installations.

f. The Mutual's responsibility shall not extend to any maintenance, repair or replacement required due to misuse or negligence by the Member, Manor occupants or guests.

12. Smoke Detectors.

The Mutual will install and maintain a maximum of three smoke detectors per manor. These will be checked and detectors and batteries replaced as necessary during the yearly annual inspection.

13. Carbon Monoxide Detectors.

The Mutual will install and maintain carbon monoxide detectors in each manor. These will be checked and detectors and batteries replaced as necessary during the yearly annual inspection.

14. Telephone Wiring and Outlets.

The Mutual will maintain the primary telephone service outlets in the kitchen and master bedroom only and telephone wiring to those outlets. Additional telephone service outlets and wiring will be maintained by the Member.

15. Walls and Ceilings (Interior Drywall Surfaces).

The Mutual is responsible for the integrity of the walls and ceilings. Tape joints that have split open on either walls or ceilings will be repaired at Mutual expense. Hairline cracks on either walls or ceilings will not normally be repaired. Asbestos removal in ceilings will be done only if the tape joints have popped to the extent of potentially exposing residents to an asbestos hazard. The judgment of the MOD Maintenance Supervisor will be final in regard to whether the Mutual will remove existing ceiling and texturing.

16. Water Heaters.

The Mutual is responsible for all water heaters and connectors, and will also re-light pilot lights (see "Pilot Lights" above for details).

PARKING

When residents drive into their designated entry, they are on First Walnut Creek Mutual-owned property and are subject to the following policies and parking regulations as adopted by the First Walnut Creek Mutual Board of Directors.

A. CARPORTS

1. Ownership. All carports are the property of First Walnut Creek Mutual.
2. Assignment of Carports. Carport space assignments are the responsibility of First Walnut Creek Mutual. Carports are assigned and issued to each Mutual resident by carport building and carport stall number.
3. Rental of Unassigned Carports. The Mutual has twenty (20) unassigned carports. Such unassigned carports may be rented by the Mutual to Mutual residents on a "first come, first served" basis, with preference given to residents in the entry where the carport is located. The Board may, by resolution adopted from time to time, establish the rates that will be charged by the Mutual for rental of unassigned carports. Mutual residents who rent unassigned carports shall be subject to the conditions of the Mutual's Carport Agreement, which may be obtained from the First Walnut Creek Mutual offices.
4. Exchange and Rental of Assigned Carports. Any proposed exchange of carport spaces between residents or rental of carports by one Mutual resident to another must be requested in writing for approval by the Board of Directors. Exchange or rental of carport spaces without written Board approval is prohibited.
5. Rental to Non-Residents Prohibited. Carports may not be rented to a non-resident of First Walnut Creek Mutual.
6. Nameplates. Nameplates may not be attached to the carport exteriors. Any existing nameplates will be removed as carports are repainted.
7. Permitted Vehicles. Carport spaces are intended for passenger cars or golf carts. A truck which does not exceed the size of a passenger car and which is used for transportation only may be parked in such a space. A gasoline-powered vehicle parked in a carport space under a manor (Sequoia/Sonoma G-11 buildings) must not extend beyond the ceiling portion, which has been lined with fire-retardant material. No gasoline-powered vehicle may be parked under any manor area where fire-retardant material has not been installed.
8. Use of Carports.

(i) Residents shall be responsible for keeping their carports in a clean, neat and sanitary condition.

(ii) Open carports may not be used as workshops.

(iii) Except as specifically provided in this Paragraph 8, carports may not be used as storage areas (e.g., for boxes, trunks, appliances, furniture).

(iv) Auxiliary storage cabinets may be placed in a carport subject to the resident obtaining an alteration agreement from the Mutual for such cabinets as required by the Alteration Policy (Section 1.0 of the Policy Manual). The only exception is that two (2) plastic Emergency Preparedness containers (i.e., 33-gallon trash can) marked with a red cross may be placed so as not to interfere with ingress and egress into the carport or the proper parking of any resident's vehicle.

(v) Bicycles may be parked in carports provided they are placed so as to not interfere with ingress and egress into the carport or the proper parking of any resident's vehicle.

(vi) The Mutual is not responsible for the loss or theft of, or damage to, any personal items placed or stored in the carport.

9. Prohibition on Storage of Flammable Materials. No flammable material of any kind may be stored in a carport area.
10. Battery Chargers. If a battery charger is used to recharge a golf cart, it must be placed on a secure, non-flammable surface at least one foot from other facilities. A charger must be equipped with an overload fuse circuit breaker. It must be disconnected from the power source when not in use.
11. Unattended Vehicles. No vehicle can be left unattended in any carport with the motor running.
12. Back-in Parking. Back-in parking is not allowed in any carport.
13. Tandem Parking. Tandem parking of vehicles in carports is allowed only if the vehicle does not extend outside the physical dimensions of the carport.
14. Responsibility for Damages. Residents are responsible for any and all damage to structures done by their vehicles and may be required to provide wheelstops for larger vehicles.
15. Upkeep of Carports. It is the responsibility of each resident to keep his/her carport swept clean of debris. Only metal drip pans may be used under vehicles. Any vehicle leaking fluids must be repaired and carport floor cleaned before returning the vehicle. Washing or rinsing out of carports is prohibited.

16. Use of Extension Cords. Only underwriter (UL) approved extension cords may be used in the carport area and they must meet the specifications of the manufacturer of the equipment for which they are being used.
17. Electric Vehicle Charging Stations. Installation of an Electric Vehicle Charging Station ("EVCS") (as defined in the Mutual's Electric Vehicle Charging System Policy at Section 26.0 of the Policy Manual) requires an Alteration Permit. Any Mutual member who proposes to install an EVCS shall follow the procedures set forth in the Mutual's Alteration Policy (contained in Section 1.0 of the Policy Manual) for physical modifications to the property. Such member shall also comply with the requirements imposed by the Mutual's Electric Vehicle Charging System Policy (Section 26.0 of the Policy Manual).
18. Installation of Electric Outlets in Carports; Upgrades to Electrical Systems. Installation of electric outlets and/or additions or upgrades to the common area electric system to accommodate electric vehicles shall be done at the resident's sole expense and require prior alteration approval. The resident shall follow the procedures set forth in the Mutual's Alteration Policy (contained in Section 1.0 of the Policy Manual) for physical modifications to the property. Such residents shall be charged a fee for their use of electricity at the rate established by the Board from time to time.
19. Unmodified Electrical Outlets; Use by Electric or Hybrid Vehicles. No electric or hybrid car or truck may be plugged into an unmodified electrical outlet in any carport or common Mutual outlet. Unauthorized charging of electrical or hybrid vehicles at any Mutual electrical outlet shall be subject to a fine of \$50.00 per day, plus the cost to make repairs to Mutual property if damage has occurred.

B. GOLFPORTS

1. Ownership. All golfports are the property of First Walnut Creek Mutual.
2. Rental. Golfports are not automatically assigned to individual residents. Golfports may be rented by the Mutual to Mutual residents only. Subleases of golfports between Mutual residents are expressly prohibited. The Board may, by resolution adopted from time to time, establish the rates that will be charged by the Mutual for rental of golfports.
3. Golf Cart Storage Use Agreement; Conditions. Owners of vehicles powered by electricity or by an internal combustion engine who desire to use the golfports at the ends of G-11 buildings are subject to the conditions of the Mutual's Golf Cart Storage Use Agreement, which may be obtained from the First Walnut Creek Mutual offices.
 - (i) If they are rented for a gas golf cart or a small car, the roof above, the golf port space (bottom side of the first floor porch) must be fireproofed. If the roof is not fireproofed, the prospective renter may elect to have it done. Should the renter do this, the Mutual will, by way of partial reimbursement, provide two years of rent-free usage of the golf port.

(ii) If a golf port is rented for an electric golf cart and an electric outlet is not available, the renter may elect to pay to have one installed, and will be partially reimbursed by having six (6) months of rent-free parking. Alteration approval of the electric outlet installation is required. The renter shall follow the procedures set forth in the Mutual's Alteration Policy (contained in Section 1.0 of the Policy Manual) for physical modifications to the property.

(iii) All owners of electric golf carts or go carts will be charged an annual fee for use of electricity regardless of whether they use the electricity in a golf port or in their regular carport parking space. The amount of the annual charge can be obtained from the Accounting Office at MOD.

4. Prohibition on Storage of Flammable Materials. No flammable material of any kind may be stored in a golfport area.

C. PARKING RESTRICTIONS

1. Recreational vehicles, commercial vehicles, boats, and trucks that exceed 3/4 ton or the size of a passenger car may not be parked or placed in any residential areas in First Walnut Creek Mutual except for a 24-hour loading or unloading period.
2. All vehicles parked within First Walnut Creek Mutual must have current registration and may not be dilapidated or inoperable.

D. GUEST PARKING

1. The District Director may determine that curbs and parking spaces within the entry be marked to identify such places for guest parking, but guest parking should not occupy more than half of the spaces within any entry. The District Director will make such decisions after reasonable Consultation with entry residents.
2. Parking spaces designated "Guest Parking Only" may not be used by entry residents.
3. Unmarked parking spaces may be used by guests or residents. Except for carport spaces, no vehicle may be allowed to park more than 72 hours in any parking space in an entry.

E. DISABLED PARKING

1. Any vehicle properly displaying a valid, governmentally-issued disabled person license plate or placard is allowed to park in any parking stall or space specifically designated for disabled persons ("DP Space") within any entry of First Walnut Creek Mutual.

2. DP Spaces are identified in one or more of the following manners: (i) by blue paint on the curb or edge of the paved portion of the street adjacent to or outlining the DP Space and/or (ii) a sign immediately adjacent to and visible from the DP Space stating "Disabled Parking" or consisting of a profile view of a wheelchair with occupant in white on a blue background.

3. Any disabled resident who wants the Mutual to create a DP Space in his or her entry must submit a written request to the Board. Each request will be considered by the Board on a case by case basis. To qualify for the creation of a new DP Space, the disabled resident must have a valid, governmentally-issued disabled person license plate or plate and demonstrate to the Board that he or she is entitled to a "reasonable accommodation" under applicable federal or state housing laws and needs to park somewhere other than his or her carport space in order to accommodate his or her disability.

F. PARKING ENFORCEMENT; TOWING

1. Subject to compliance with the Bylaws and the Fine Policy (Section 23.0), the Board shall have the power to impose fines and other sanctions for violations of this Parking Policy relating to vehicles and parking. Such power shall include the power and authority to cause the towing, at the vehicle owner's expense, of vehicles which are parked within First Walnut Creek Mutual in violation of any of the provisions of this Parking Policy. The Mutual shall comply with all applicable Vehicle Code provisions and Walnut Creek ordinances before towing vehicles.

2. Costs incurred by the Mutual relating to the towing and/or storage of any vehicle parked in violation of any provision of this Parking Policy shall be assessed as a Reimbursement Assessment against the Mutual Member responsible or whose household members, sublessees, invitees or guests are responsible for the presence of such vehicle.

COMMERCIAL ACTIVITIES

1. No commercial activities may be conducted in the common area. If commercial activities are conducted in a manor, there may be no external evidence of any business activity, including signage or traffic; e.g., receiving numerous clients or deliveries in the home so as to bother neighbors. It is the owner's responsibility to ensure that any commercial activities comply with applicable zoning laws or governmental regulations and, if required, proper permits, licenses or other governmental authorization is obtained.
2. Construction materials and debris
No portion of the Mutual shall be used for the storage of building materials other than in connection with approved construction. All construction debris shall be picked up and deposited daily in an appropriate container furnished by the contractor.
3. Machinery and equipment
Except as approved by the Board, no machinery or equipment of any kind shall be maintained or operated within the Mutual except as is customary and necessary in connection with approved construction.
4. Work site rules
The following rules apply to contractors, owner-contractors and other service providers employed by residents. Contractors should be made aware of these rules by residents before they submit an estimate for a job. Any exceptions to these rules require the authorization of a Mutual Director.
 - A. Normal work hours are 8:00 a.m. to 5:00 p.m., Monday through Friday; operating noisy equipment or doing other work that disturbs neighbors outside these hours is not permitted.
 - B. Building utilities may not be interrupted without permission from the Mutual's Managing Agent representative and timely notification to affected manor residents.
 - C. Walkways and stairways must be kept clear.
 - D. All job debris must be removed daily and the common area swept clean. Waste is not to be discarded in the Mutual's trash containers.
 - E. Vehicles are to be parked in marked parking areas; garage doors or carports are not to be blocked at any time.
 - F. Landscaping and paint finishes are to be protected from all work activity; any damage is to be reported to a Mutual Director.

- G. Do not operate radios, etc., such that they can be heard outside a manor.
- H. Contractor License (Pocket Copy okay) and Liability Insurance policy copy (current) are to be filed with MOD for every job.
- I. Vehicles (insured) must never be parked in a red curb area. They may be parked in entry guest parking spaces. They are never to be left in Rossmoor overnight and must never block egress to a carport, laundry and/or dumpster area.
- J. Noise/jarring /on ceilings, walls and air space of adjacent manors is strictly prohibited except when all residents in the manor(s) affected are informed as to time and duration. This notification information is good for one day only. For a new occurrence, the procedure is to be repeated. Any damage liability is strictly the contractor's.
- K. Costs incurred by the Mutual due to enforcement efforts and/or correction efforts arising from contractor failure to fully comply with all rules will automatically be referred to Small Claims Court and block the next permit request(s) from that contractor.

WILDLIFE

FEEDING OF WILDLIFE

1. With the exception of liquid food provided for hummingbirds, the feeding of wildlife is not permitted. Because of the danger of attracting rodents, bird seed feeders, scattering of bird seed, or feeding wild, feral or domesticated animals outside is not permitted.

BIRDBATHS

2. Birdbaths are not allowed anywhere in First Walnut Creek Mutual because standing water provides a place for mosquitoes to breed. West Nile and Zika diseases are spread by mosquitoes and are a present danger.

GUESTS

1. No guest may stay in a manor for more than 75 days in any consecutive 12 month period.
2. Guests are only allowed to stay in the manor if a designated occupant and/or permitted resident of such manor is also staying in the manor at the same time.
3. Guests who stay for more than 21 days must register at the Golden Rain Foundation Administration office at 1001 Golden Rain Road. Both First Walnut Creek Mutual and the Golden Rain Foundation must acknowledge and approve each registration.

POLICY REGARDING SMOKING

1. Background

A. On October 1, 2013, the City Council of the City of Walnut Creek adopted Ordinance No. 2118 concerning second hand smoke (the "Ordinance").

B. The Ordinance provides that, effective January 29, 2014, smoking is prohibited in all multi-unit housing located in the City of Walnut Creek:

- Within all existing multi-unit residential units,
- On all balconies, patios, decks and carports, and
- In all areas within 25 feet of "enclosed areas (e.g., all multi residential buildings).

C. The Mutual and the properties located within the First Walnut Creek Mutual housing cooperative are subject to the Ordinance.

D. The Ordinance also provides that multi-unit housing providers (including the Mutual) may establish designated smoking areas provided they meet the criteria set forth in the Ordinance and outlined in paragraph 1.B. above.

2. Smoking Complaints by Residents

A. Informal Resolution. As a first step, residents who witness smoking by other residents in violation of the Ordinance are encouraged to try to address the issue directly with the "smoker." As with other nuisance issues, the violation can often be resolved informally at the "neighbor-to-neighbor" level without involvement by governmental authorities or the Mutual.

B. Enforcement by City of Walnut Creek. Failing resolution through the informal "neighbor-to-neighbor" process recommended above, residents are encouraged to follow the enforcement procedures established by the City. Those procedures provide that all violations can be reported to the City's non-smoking hotline number at (925) 256-3535, or via e-mail at nosmoking@walnut-creek.org. The City has advised that inquiries and reports will be responded to within 24-hours. The Ordinance provides that initial violations will receive a warning notice and repeat violations may be subject to a citation and fee of \$100 for first violations, \$200 for second violations and \$500 for each violation thereafter.

3. Nuisance Complaint to Mutual

A. As with any nuisance claim, residents who choose to submit complaints about residents who are smoking in areas that are not permitted by the Ordinance shall submit them to the Mutual in writing.

B. Complaints, together with any supporting evidence, shall be submitted to the Board of Directors in care of the Mutual Board Office, 1001 Golden Rain Road, Walnut Creek, CA 94595.

C. The Board will follow, in its normal course of business, the same process that it does with other resident complaints, i.e., conduct an investigation of the allegations in the complaint; as the Board deems appropriate, call the alleged violator to a hearing; weigh the evidence received and determine whether a violation has occurred; and, if the Board determines that there has been a violation, decide what, if any, sanctions will be imposed as authorized by the Mutual's Violation and Fining Policy/Schedule of Fines (contained in Section 23.0 of the Policy Manual) or other actions taken on account of the violation.

COLLECTION POLICY

Pursuant to California Civil Code section 5320, the Board of Directors of First Walnut Creek Mutual hereby provides the following information with regard to the Mutual's policies and practices in the collection of any amount delinquent and due the Mutual.

1. The late charges set forth in this Policy shall not apply to Members whose Occupancy Agreements establish contrary late charges. In case of conflict, the late charges established in the Occupancy Agreement shall control.
2. Carrying Charges as described in the Occupancy Agreement are due on the first of each month and delinquent after the fifteenth day of the month. If unpaid after the fifteenth day of the month, the Member will be assessed a late charge and a statement will be sent to the Member.
3. Members delinquent 30 days or less shall be sent a simple statement indicating the amount due. The amount due shall include a late charge of \$25.00. The Mutual will waive a single accrued \$25.00 late charge if the Member agrees to institute an automatic withdrawal from his/her bank for the payment of the monthly Carrying Charges.
4. Members delinquent 30 days to 60 days shall be sent a letter of explanation with a request to remit all amounts due upon receipt. The amount due shall include an additional late charge of \$40.00.
5. Members delinquent 60 to 90 days shall be sent a "Notice of Intent to Terminate" notifying the Member of the Board of Directors' right to terminate the membership of the delinquent party and requesting that the Member cure any delinquencies. The amount due shall include an additional late charge of \$40.00.
6. As determined by the Mutual's Treasurer or Board of Directors, Members delinquent more than 90 days shall be referred to the Mutual's legal counsel to send a "Demand Letter" notifying the delinquent Member of the Board of Directors' intention to terminate the membership if the account is not brought current or satisfactory repayment arrangements are not made by a date certain.
7. As determined by the Mutual's Treasurer or Board of Directors, Members delinquent more than 120 days shall be sent a "Notice of Hearing – Intended Termination of Membership" which notifies the Member that a Hearing will be held before the Board of Directors in executive session to consider termination of the Member's membership due to nonpayment. The Member shall be asked to appear before the Board of Directors and given an opportunity, personally and/or

through an attorney, to explain the circumstances of nonpayment and provide arguments and evidence as to why the membership should not be terminated by the Board and revert to the Mutual. The Board will consider all of the circumstances, arguments and evidence and decide whether to terminate the membership or if instead other action should be taken. The Board may consult with the Mutual's legal counsel before, during and after the hearing.

8. An additional late charge of \$40.00 per month shall be added until the delinquent account is paid in full.
9. Reimbursement Assessments are due and payable to the Mutual when levied by the Board. Reimbursement Assessments are delinquent if not paid within 15 days after they are due. Reimbursement Assessments that are not paid within 15 days of their due date shall bear a late charge of \$25.00. An additional late charge of \$40.00 per month shall be added until the delinquent Reimbursement Assessment is paid in full. However, no more than one late charge may be assessed to the delinquent Member's account per month.
10. All legal fees and costs associated with collecting delinquent amounts will also be charged to the delinquent Member, pursuant to the Bylaws and the applicable section(s) of the Occupancy Agreement.
11. Following is a simple example of late charges application, assuming a regular coupon charge of \$500.00 and a delinquency extending over a four month period:

Date	Charges	Payments	<u>Late Fees</u>	<u>Balance Due</u>	Explanation
1/1	\$500.00	\$0.00	\$0.00	\$500.00	Manor Payment due
1/15	0.00	500.00	0.00	0.00	Full balance paid, no late fee due
2/1	500.00	0.00	0.00	500.00	Manor Payment due
2/16	0.00	0.00	25.00	525.00	Late Fee due
3/1	500.00	0.00	0.00	1,025.00	Manor Payment due
3/16	0.00	500.00	40.00	565.00	Partial payment received, Late Fee due
4/1	500.00	0.00	0.00	1,065.00	Manor Payment due
4/16	0.00	1,060.00	40.00	45.00	Partial payment received, Late Fee due
5/1	500.00	545.00	0.00	0.00	Full balance paid, no late fee due

MOVING OUT/MOVING IN POLICY

1. **MOVING OUT** Arrangements must be made with the Mutual Operations Division (988-7650) for a special pick-up and disposal of all unwanted items. All small unwanted items must be bagged, tied, and placed with larger items for pick-up. These items must be retained inside the manor until the day of the pick-up. There will be a fee for this service. If discarded items are placed in the BFI dumpster area a \$100.00 charge will be levied against the manor.
2. **MOVING IN** Moving company boxes that are picked up by the moving company must be retained inside the manor until picked up by the moving company. All boxes not to be picked up by the moving company must be hauled away by the resident or broken down and retained inside the manor until ready for a special pick up. For special pick-ups, call Mutual Operations, 988-7650. There may be a fee for this service.
3. **REMODELING** If any resident is planning to remodel, it is the responsibility of the resident to inform any contractor they hire that debris must not be placed in the Mutual's dumpsters. If a contractor is found to be using the Mutual's dumpsters, a back charge will be collected from the contractor or the resident.
4. **SPECIAL NOTICE** The entry dumpsters are not to be used to dispose of either moving in or moving out debris. The dumpsters are for the daily use of residents.

NUMBER OF OCCUPANTS

No more than two natural persons may reside in a one-bedroom Manor and no more than three natural persons may reside in a two-bedroom Manor. Guests, including number and registration, are regulated by the Mutual's policy concerning guests.

OFFENSIVE CONDUCT, NUISANCES, NOISE

1. No noxious, harmful, or offensive activities shall be conducted upon or within any part of the Mutual, nor shall anything be done thereon which may be or become a nuisance, or cause unreasonable embarrassment, disturbance, or annoyance to any members, designated occupants, or residents of the Mutual, or which shall in any way interfere with their use of the Mutual's common areas and facilities thereon or the use and enjoyment of their manors.
2. Without limiting any of the foregoing, no person shall permit noise, including but not limited to the barking of dogs or loud television sets, to emanate from such person's manor, which would unreasonably disturb another person's enjoyment of his or her manor or of the Mutual's common areas or facilities thereon. During the period of time between 11:00 p.m. and 7:00 a.m. residents shall not run washers, dryers or, air conditioners. (It is understood that there may be a few instances during summer months when residents in the general population will be running air conditioners after 11:00 p.m.)
3. The Mutual has the sole, absolute authority but not the obligation to pursue, on behalf of the Mutual, claims against members, designated occupants, residents and other persons based on the existence or maintenance of a nuisance.

PETS

1. **Limitation on Pets.** No animals shall be kept, bred, or raised within the Mutual for any commercial purpose. The total number of pets (i.e., cats, dogs, birds) that may be kept in any Manor is limited to three. Notwithstanding the foregoing limitation on the total number of pets, unlimited numbers of fish and other marine life may be kept in an aquarium in a manor, subject to any applicable governmental regulations.
2. **Responsibility for Pets.** The owner of each pet shall be responsible for immediately removing and disposing of any waste introduced to any portion of the Mutual by such pet. Each member, designated occupant, resident and any person bringing an animal into the Mutual or keeping an animal within the Mutual shall be absolutely liable to the Mutual and all other persons for any injury or damage to persons or property caused by the animal brought upon or kept within the mutual by such person or by members of his or her family, tenants, guests, or invitees. The member shall indemnify the Mutual and its officers, directors, and agents against any and all claims, damages, losses, demands, liabilities and expenses, including but not limited to attorney's fees, arising out of or resulting from the presence or conduct of any animal brought upon or kept within the Mutual by the member, designated occupant or their family members, guests, subtenants, or invitees.
3. **Pets Outside the Manor.** While outside the manor each dog and each cat must be (i) restrained on a six-foot or shorter leash held by a responsible person capable of controlling it, or (ii) carried by a responsible person capable of controlling it, or (iii) maintained wholly within a secure pet carrier. No animal shall be kept, caged, housed or restrained on any deck, veranda, patio or balcony, or chained to trees or any structures or devices on any lawns within the Mutual's common area landscaped areas.
4. **Mutual Authority.** The Mutual shall have the right to prohibit the keeping of any animal which constitutes, in the sole and exclusive opinion of the Board, a nuisance to any other person.

PRIVATE GARDENS; LANDSCAPING

1. Private Gardens – A garden installed in a common area by an owner/resident who has an approved permit from the Landscape Maintenance Division.

No new private gardens can be planted within First Walnut Creek Mutual after the effective date of the original Private Gardens Policy (i.e., July 26, 2002). No new private garden permits will be issued.

- A. Existing Private Gardens. When a manor is sold or membership transferred, the existing private garden will return to Mutual care at the close of escrow. It may not be taken over by a new owner or occupant.

- i. Plants compatible with Mutual landscaping will be retained.
- ii. An inspection by the FWCM Landscape Department at the time of listing a manor for sale will determine the charges for restoring the private garden to blend with the common area landscaping to remove any fencing or irrigation systems.
- iii. The cost of converting these private gardens to a standard set by First Walnut Creek Mutual will be borne by the selling member or estate of the selling member. Those charges will be held in escrow and paid to the Mutual when escrow closes. FWCM Landscape Department will do the work; such work may not be performed by the seller or the buyer.

- B. Maintenance of an Existing Garden.

- i. Should the current permit holder or responsible resident for a private garden be unable or unwilling to maintain the private garden at an acceptable level, the private garden permit will be revoked and the FWCM Landscape Department will convert the garden to blend with the adjoining common area landscaping.
 - a. The resident will have an opportunity to meet with the Mutual Board to discuss the garden's condition, with the possibility of being given 30 days to bring it back to acceptable condition.
 - b. The resident will be bound by the Board's written decision on whether the FWCM Landscape Department will take over the garden and what charges, if any, the resident will be responsible for, or if the resident will be given a 30-day grace period to return it to an acceptable level.
 - c. Plants and trees compatible with the common area landscaping will be retained.

- ii. Fences must have an approved alteration permit. Deer barriers must be approved by FWCM Landscape Department. Removal of all fences and deer barriers will be at the resident's expense.

2. Private Patios and Balconies.

- A. Patio gardens are allowed only within a terrace, porch, patio or atrium that is directly associated with the following manor models: Carmel, Mendocino, Golden Gate, San Franciscan and Yosemite. The Sonoma and Sequoia models (G-11 buildings) can only support plants in pots on porches, balconies or entry areas that do not block stairways or walkways.
- B. No action by a resident is permitted that would adversely affect water lines, hose bibs, drainage, erosion or the manor structure. Second level units must ensure plantings are watered with care. Weight and space limitations of containers on decks/porches are controlled for safety and aesthetic reasons.
- C. Trees or large shrubs may not be planted in containers larger than 24 inches in diameter and may not exceed 12 feet in height at maturity. All pots must have basins underneath which will catch water overflow.
- D. Ivy and all other climbing plants must be controlled/pruned so that they do not climb on fences or buildings or extend onto sidewalks.
- E. Overgrown shrubs or trees that have become invasive will be pruned or removed by FWCM Landscape personnel at the resident's expense.
- F. Potted plants may not rest on railings or hang outside the balcony railings creating a danger to cars or residents below.

3. Landscaping in Common Areas – NOTE: All landscaped areas in the Mutual are Common Areas with the exception of private patios and private balconies.

- A. Residents are not permitted to plant, prune, fertilize or remove shrubs, trees or any other plantings in common areas. FWCM landscape personnel shall do all such work.
- B. Potted plants or other objects may not be placed on stairways or walkways, restricting access by emergency personnel, delivery people or maintenance workers. This includes the cement drainage strip running in front of the G-11 buildings.
- C. Artificial plants, garden supplies or pots may not be placed in common areas.

- D. Residents wanting changes or additions to the landscaping in the common area next to their manor should contact their landscape representative.

4. Watering.

- A. Residents may not water common areas. Mutual Operations should be called to report sprinkler system problems in common areas.
- B. All hoses related to patio gardens or pre-existing private gardens must be turned off at the hose bib when not in use.
- C. Only ground floor units may use automatic drip systems. A formal request that includes a description of the system and acknowledgement that the resident assumes all damage caused by the system must be approved by the appropriate district director or FWCM landscape supervisor.
- D. Upper level porches and balconies may not have any type of drip system; therefore, all watering must be done by hand.
- E. Potted plants on second level landings or balconies must be placed in saucers large enough to handle water runoff.
- F. Residents are responsible for any damage occurring to property caused by planting or watering.

5. Absent Resident or Owner.

Should the resident or owner be absent, that individual remains responsible for maintenance of the property as set forth in these regulations and the Occupancy Agreement.

SATELLITE DISHES

1. For the purposes of this policy, the term "antenna" means any direct broadcast system (DBS) satellite dish, wireless cable antenna system (MDS or MMDS), fixed wireless device (voice/data disk), television broadcast antenna system (TVBS, including any high definition television antenna (HDTV)), and any component of or addition to such antenna, including, without limitation, poles, masts, tripods, brackets, cables, or wiring.

This policy applies to DBS, MDS and MMDS antennas designed primarily for video reception and fixed wireless devices that are one meter or less in diameter or diagonal measurement, and to TVBS antennas sufficient in dimension to receive an acceptable quality signal in the local viewing area. Larger antennas or antennas used for purposes other than for video, voice or data signals are not permitted.

2. Within fourteen days of the proposed antenna installation date, owners are asked to notify the Mutual of their intent to install an antenna. Owners are encouraged to work with the Mutual to determine the most suitable location for the antenna pursuant to these Guidelines.

3. Installation

- A. Antennas may be installed only on owners' balconies, verandas, decks, and/or patios and must be placed in the least obtrusive location possible that does not unreasonably delay the antenna's installation or unreasonably interfere with the user's ability to obtain an acceptable quality signal ("preferred location"). Depending on the orientation of a particular deck or patio, the Mutual's preferred location might be below the level of the balcony, veranda, deck and/or patio railing, to the rear of the balconies, verandas, deck, and/or patios, away from neighboring manors' balconies, verandas, decks, and patios, or screened by a deck or balcony overhang. No part of the antenna (including brackets, tripods or masts) may extend upward, downward or sideways into the common area air space located beyond the vertical and horizontal planes of the balcony, veranda, deck and/or patio area(s).
- B. If an acceptable quality signal can be received by placing the antenna inside the owner's manor, without an unreasonable increase in delay or cost, then indoor installation is preferred. In the case of a fixed wireless device, if similar services of reasonably similar cost and speed are available over in-ground systems (e.g., DSL or broadband services), then fixed wireless devices may be restricted or prohibited.

- C. To the maximum extent reasonably possible, wiring or cabling shall be installed so as to be minimally visible and blend into the material to which it is mounted or placed. Where not unreasonable to do so, the antenna shall be painted to blend into the background to which it is mounted or placed, and any tripod or mast shall be painted to match the antenna mounted on it. No antenna may be installed in a manner that penetrates any surface of a deck or patio or adjacent exterior wall.
 - D. The Mutual may require the owner to screen the antenna, at the owner's expense, if doing so does not unreasonably delay the antenna's installation, unreasonably increase the cost of its installation, maintenance or use, or unreasonably interfere with the user's receipt of an acceptable quality signal.
 - E. All antenna installations shall be made in accordance with applicable building, fire, electrical and related codes. No antenna shall be permitted that unreasonably interferes with the reception or transmission of video, voice, data or radio signals for another manor or, if applicable, the common area.
 - F. Fixed wireless devices must be professionally installed and labeled in accordance with federal law. The installation or use of any fixed wireless device in a location or manner that exceeds federal health and safety standards is prohibited.
4. The Mutual may, following written notice to the owner, enter the owner's manor and balcony, veranda, deck and/or patio to inspect the antenna to ensure that it was installed in the least obtrusive location and manner possible and in accordance with these Guidelines. If the Mutual determined that the antenna could have been installed in a preferred location, the Mutual may require the owner, at the owner's expense, to move the antenna to that location or to change the manner of its installation.
5. Maintenance, Repair, and Removal
- A. The owner shall be responsible, at the owner's sole expense, for the maintenance and repair of any antenna and for any damage that results from the installation, relocation or removal of any antenna.
 - B. It shall be the owner's responsibility to remove the antenna if, in the sole discretion of the Mutual, the owner fails to maintain the antenna to the Mutual's minimum architectural standards, if the antenna creates a safety hazard, or if for any reason the Mutual must maintain, repair, or replace the area where the antenna is installed. Except in emergency situations, the Mutual shall notify the owner at least seventy-two hours in advance of the need to remove the antenna.

The cost of removing and, if applicable, replacing the antenna shall be the responsibility of the owner. The owner shall permanently remove any prohibited antenna.

- C. Should an owner fail to remove the antenna upon the Mutual's request, the Mutual may, to the extent and in the manner permitted in the governing documents, enter the owner's manor and balcony, veranda, deck and/or patio and remove the antenna. The Mutual shall not be responsible for any damage to the antenna or loss of signal incurred in removing the antenna. The owner shall be responsible for any expense the Mutual incurs in removing the antenna, and the Mutual may recover such expenses in any manner allowed by law or the governing documents. If the Mutual must remove the antenna, the Mutual shall not be responsible for replacing it.

SENIOR CITIZEN HOUSING RESTRICTIONS

This document sets forth the Senior Housing Residency Restrictions (the "Senior Housing Policy") for First Walnut Creek Mutual (the "Mutual") and the Mutual's policy concerning the age of residents, other occupants, and guests at the First Walnut Creek Mutual cooperative housing project (the "Project"). This Senior Housing Policy is adopted by the Board pursuant to the Mutual's Bylaws (as amended from time to time, the "Bylaws") and in compliance with applicable federal and California law

1. Senior Citizen Housing Development.

The Project is a senior housing development that is intended to (i) qualify for the "housing for older persons" exemption from the prohibitions on discrimination based on familial status contained in the federal Fair Housing Act, including those provisions adopted pursuant to the Fair Housing Amendments Act of 1988 and the Housing for Older Persons Act of 1995 (the "Federal Act"), (ii) qualify as a "senior citizen housing development" as that term is defined in California Civil Code section 51.3 (the "State Act"), and (iii) otherwise comply with the requirements of the Federal Act and the State Act.

2. Definitions.

The terms used in this Senior Housing Policy shall have the definitions set forth in this Section 2. All other capitalized terms that are not defined in this Senior Housing Policy shall have the meanings ascribed to them in the Bylaws unless the context requires otherwise.

A. Qualifying Resident.

"Qualifying Resident" means a person fifty-five (55) years of age or older.

B. Qualified Permanent Resident.

"Qualified Permanent Resident" shall mean a person who meets either of the following requirements:

The person was residing with the Qualifying Resident prior to the death, hospitalization, or other prolonged absence of, or the dissolution of marriage with, the Qualifying Resident and the person was forty-five (45) years or older, or was a spouse, cohabitant (defined as persons who live together as husband and wife or persons who are domestic partners within the meaning of California Family Code section 297) of the Qualifying Resident, or a person providing primary physical or economic support to the Qualifying Resident; or

- ii The person is a disabled person (defined as a person who has a disability as defined in Civil Code section 54(b)) or person with a disabling illness or injury (defined as an illness or injury which results in a condition meeting the definition of a disability set forth in Civil Code

section 54(b)), who is a child or grandchild of the Qualifying Resident or a Qualified Permanent Resident who needs to live with the Qualifying Resident or Qualified Permanent Resident because of the disabling condition, illness or injury.

All persons who claim that they provide primary physical or economic support to the Qualifying Resident, and are thus Qualified Permanent Residents under Section 2.B.(ii) above, have the burden of proving that to the reasonable satisfaction of the Mutual. Where it is asserted that a particular person provides primary physical support, the Qualifying Resident or the Qualifying Resident's agent may be required to provide one or both of the following to the Mutual: (1) a statement from the Qualifying Resident's physician, other medical provider, case worker or social worker, and (2) an explanation of the type and amount of physical support provided to the Qualifying Resident and a comparison to the support provided by others and the activities that the Qualifying Resident may undertake without assistance. Where it is claimed that a particular person provides primary economic support, the Qualifying Resident or the Qualifying Resident's agent may be required to show (1) that the person claiming Qualified Permanent Resident status has independent means and is able to support himself or herself without assistance from the Qualifying Resident, and/or (2) that the financial support provided to the Qualifying Resident by such person exceeds the income and other financial support received by the Qualifying Resident. Absent satisfactory proof, any such persons will be deemed to be Permitted Health Care Residents if they otherwise satisfy the requirements of Section 2.C. below.

C. Permitted Health Care Resident.

"Permitted Health Care Resident" shall mean a person hired to provide live-in, long-term, or terminal health care to a Qualifying Resident or a family member of the Qualifying Resident providing that care to the Qualifying Resident. The care provided by a Permitted Health Care Resident must be substantial in nature and must provide either assistance with necessary daily activities or medical treatment, or both.

D. Unit.

"Unit" shall mean a dwelling unit or manor located in the Project.

3. Generally, at Least One Qualifying Resident Must Permanently Occupy the Unit. Subject to Section 4 below and except as specifically otherwise provided in Sections 5 and 6, each Unit, if occupied, must be occupied by at least one (1) Qualifying Resident and all other persons occupying a Unit must be Qualified Permanent Residents or, as specified below, a Permitted Health Care Resident, or a person under fifty-five (55) years of age whose occupancy is permitted

under California Civil Code section 51.3(h) or section 51.4(b). Persons commencing any occupancy of a Unit must include a Qualifying Resident who intends to reside in the Unit as their primary residence on a permanent basis.

4. Occupancy by Permitted Health Care Residents.

A Permitted Health Care Resident may occupy a Unit during any period that the Permitted Health Care Resident is actually providing live-in, long-term, or hospice health care to a Qualifying Resident for compensation. For the purposes of this Section 4, the term "compensation" shall include the provision of lodging and food in exchange for care. A Permitted Health Care Resident shall be entitled to continue occupancy, residency or use of the Unit in the absence of the Qualifying Resident from the Unit only if **both** of the following apply:

- A. The Qualifying Resident became absent from the Unit due to hospitalization or other necessary medical treatment and expects to return to the Unit within ninety days from the date the absence began. If it appears that the Qualifying Resident will return within a period of time not to exceed an additional ninety days, and upon written request of the Qualifying Resident or an authorized person acting for the Qualifying Resident, the Board may, in its discretion, allow a Permitted Health Care Resident to remain for a time period longer than ninety days from the date the absence began; and
- B. The absent Qualifying Resident, or an authorized person acting for the Qualifying Resident, submits a written request to the Board stating that the Qualifying Resident desires that the Permitted Health Care Resident be allowed to remain in order to be present when the Qualifying Resident returns to reside in the Project.

5. Guests.

Notwithstanding the provisions of Section 3 above, a person under fifty-five (55) years of age may temporarily occupy a Unit provided that such person is a guest of the Qualifying Resident or a Qualified Permanent Resident and further provided the temporary occupancy of any one such guest may not exceed a maximum of seventy-five (75) days in any calendar year.

6. Continued Occupancy by Qualified Permanent Resident.

Written notice shall be provided to the Mutual by the Owner or Owner's agent within fifteen (15) days of the death or dissolution of marriage, or hospitalization or other prolonged absence of the Qualifying Resident. Notwithstanding the provisions of Section 3 above, upon the death or dissolution of marriage, or upon hospitalization, or other prolonged absence of the Qualifying Resident, any Qualified Permanent Resident shall be entitled to continue to occupy the Unit provided that the Board of Directors determines that such continued occupancy shall not result in less than eighty percent (80%) of the Units being occupied by at least one Qualifying Resident as required by the Federal Act. The provisions of

this Section 6 shall not apply to a Permitted Health Care Resident.

7. **Cessation of Disability.**
For any resident who is a Qualified Permanent Resident pursuant to Section 2.B(ii) above, whose disabling condition ends, the Board may require the formerly disabled resident to cease residing in the Project upon such resident's receipt of six (6) months' written notice.
8. **Termination of Occupancy of Qualified Permanent Residents.**
Subject to the hearing requirements set forth in this Section 8, the Board may prohibit or terminate the occupancy of any person who is a Qualified Permanent Resident pursuant to Section 2.B(ii) above if the Board finds, based on credible and objective evidence, that the person is likely to pose a significant threat to the health or safety of others that cannot be ameliorated by means of a reasonable accommodation.
 - A. The Board must provide reasonable notice to and opportunity to be heard, which conforms to the requirements of the Bylaws, for the disabled person whose occupancy is being challenged and reasonable notice to the co-resident parent or grandparent of that person.
 - B. To preserve privacy, the hearing must be conducted and evidence admitted in a confidential manner pursuant to a closed executive session of the Board. The Board shall give due consideration to the relevant, credible and objective information provided in the hearing.
 - C. The affected persons shall be entitled to have present at the hearing an attorney or any other person authorized by the affected persons to speak on their behalf or assist them in the matter.
9. **Publication and Adherence to Policy.**
In compliance with the Federal Act, the Association shall publish and adhere to this Senior Housing Policy setting forth the Mutual's Senior Housing Residency Restrictions which demonstrate that the Project is intended, and operated for, occupancy by Qualifying Residents. The Mutual shall also comply with the federal rules and regulations for verification of occupancy adopted pursuant to the Federal Act.
10. **Burden of Proof.**
All persons claiming status as a Qualifying Resident, Qualified Permanent Resident or Permitted Health Care Resident have the burden of proving that they meet the qualifications for the applicable status to the satisfaction of the Board.
11. **Age Verification.**
The record owner of the membership in the Mutual or such owner's agent shall

certify to the Mutual, in writing, that such Unit is or will be occupied in the manner set forth in these Senior Housing Residency Restrictions (i) when or before the Member becomes the record owner of a membership in the Mutual, (ii) when or before there is any change in the occupants of the Unit, and (iii) at such other times as may be requested by the Mutual. Such certification shall be supported by reliable documentation of the age of each of the occupants of such Unit. The following documents are acceptable as proof of age:

- A. Valid state-issued driver's license or identification card;
- B. Medicare card;
- C. Birth certificate;
- D. Passport;
- E. Immigration card;
- F. Military identification; or
- G. State, local, national or international official documents containing a birth date of comparable reliability.

12. Residency Verification.

Every Qualifying Resident and Qualified Permanent Resident, if any, who occupies a Unit shall, upon the Mutual's request, certify in writing that the Unit is their primary residence. Such certifications shall be provided (i) when or before the Member becomes the record owner of a membership in the Mutual, (ii) when or before there is any change in the occupants of the Unit, and (iii) at such other times as may be requested by the Mutual. Each such certification shall be supported by reliable documentation acceptable to the Mutual. The following documents are acceptable as proof of residency:

- A. Valid state-issued driver's license or identification card;
- B. Voter's registration card or other evidence of voter's registration;
- C. Medicare card;
- D. Income tax return filed with the State of California; or
- E. Utility bills;
- F. Motor vehicle registration card(s); and

G. Other documents of comparable reliability showing residency.

13. Verification of Status as Qualified Permanent Resident.

Where a Unit is occupied by a Qualified Permanent Resident, the record owner of the membership in the Mutual or such owner's authorized agent shall certify to the Mutual, upon Mutual's request, that such Qualified Permanent Resident does in fact meet the definition of "Qualified Permanent Resident" set forth in Section 2.8. above. Such certification shall be supported by reliable documentation acceptable to the Mutual in its sole discretion and shall be provided to the Mutual (i) before the Qualified Permanent Resident takes occupancy, and (ii) at such other times as may be requested by the Mutual.

14. Verification of Status as Permitted Health Care Resident.

Where a Unit is occupied by a Permitted Health Care Resident, the record owner of the membership in the Mutual or such owner's authorized agent shall certify to the Mutual, upon Mutual's request, that such Permitted Health Care Resident does in fact meet the definition of "Permitted Health Care Resident" set forth in Section 2.C. above. Such certification shall be supported by reliable documentation acceptable to the Mutual in its sole discretion and shall be provided to Mutual (i) before the Permitted Health Care Resident takes occupancy, and (ii) at such other times as may be requested by the Mutual.

15. Implementation of Further Senior Housing Restrictions; Amendment.¹

The Board shall have the power and discretion to take any action the Board deems necessary to implement further rules and regulations and amend and modify these Senior Housing Residency Restrictions to assure compliance with the Federal Act or the State Act and any rules or regulations adopted thereunder, as such statutes, governmental rules and regulations may be amended from time to time.

SIGNS

No sign of any kind shall be displayed to the public view from any portion of the Mutual except that this limitation shall not apply to:

1. Signs required by legal proceedings;
2. Signs which by law cannot be prohibited;
3. An approved identification sign located on a unit identifying the number or address and/or the names of the occupants;
4. Signs approved by the Board and the Architectural Control Committee located at or near any entrance to the Mutual identifying the Mutual;
5. Signs required for traffic control and regulation of streets or open areas within the Mutual;
6. Signs on the common area as approved by the Board for a purpose reasonably related to the affairs of the Mutual.

SUBLEASING

1. Definitions. All capitalized terms that are not otherwise defined in this Subleasing Policy shall have the meanings ascribed to them in the Bylaws.
2. Right to Sublease. A Member has a right to sublease their Unit, subject to the requirements and limitations of the Governing Documents, this Rental Policy, and the Senior Housing Residency Restrictions.
3. Legacy Status. The date by which "legacy status" (formerly "grandfathering") is calculated shall be the date this Rental Policy is duly adopted by the Board. This date is the date when the rental cap (described in 4.A., below) is considered created. Preservation of the legacy status date means that any Member who entered into an Occupancy Agreement with the Mutual for exclusive use and occupancy of their Unit on or before the date of adoption of this Rental Policy shall be entitled to sublease without regard to the limitation on the number of authorized subleases ("rental cap").
4. Requirements to Sublease. The following requirements apply to all subleases at the Mutual:
 - A. Rental Restriction. The Mutual has a 470 Unit rental cap (twenty-five percent (25%) of the 1878 Units).
 - B. Written Sublease Required. Any sublease agreement for a Unit shall be in writing and shall also specifically provide that the sublease agreement is subject to the provisions of the Governing Documents, including the Senior Housing Residency Restrictions, and that failure of the tenant, members of tenant's household, invitees or guests to comply with the provisions of the Governing Documents, including the Policies, shall constitute a breach of the terms of such sublease agreement.
 - C. Entire Unit. Except as permitted in Section 4.D., below, no less than the entire Unit may be subleased.
 - D. Roommates and Co-Occupants Permitted. Nothing in the Declaration or this Rental Policy shall be construed to prohibit roommates, Co-Occupants, or other person(s) with whom Member maintains a common household.
 - E. Policy Manual. A complete and current copy of the Mutual's Policy Manual must be maintained in the Unit. All residents must comply with the provisions of the Mutual's Governing Documents, including the Policies.
 - F. No Sub-Subletting or Assignment of Subleases. There shall be no right of assignment or sub-subletting of any Unit.

- G. Renter's Insurance. Members shall require their tenants to obtain a renter's policy (HO-4) in an amount of no less than \$250,000 per occurrence, and which insurance shall include the Mutual as an additional named insured, and which insurance shall include a waiver of subrogation provision as to the Mutual, its officers, directors, and agents. Upon request, Members shall provide to the Board a certificate of said policy.
 - H. Written Application by Member to Sublease. Any Member desiring to sublease their Unit shall submit a Sublease Request Form to the Board of Directors, which form is available from the Member Records Department. Each Member shall have the further right, upon written request delivered to the Mutual, to appear in person before the Board of Directors and to discuss the request to sublease the Unit.
 - I. Board Review of Sublease Request Form. Within thirty days after receipt of a completed Sublease Request Form, the Board of Directors, or its representative, shall review such application and approve or disapprove of it in writing. If the Board or its representative fails to decide upon the Sublease Request within 30 days, the applicant shall have the right to request Internal Dispute Resolution (IDR) with the Board pursuant to Civil Code section 5900 et seq.
 - J. Rehearing. If the application to sublease is disapproved, the requesting Member shall have a right to rehearing upon written request to the Board of Directors, at its next regular meeting or as otherwise agreed between the Member and the Board. The Member shall have the right to appear at the rehearing and present evidence and arguments in support of the Member's case. Within ten (10) days after the conclusion of such rehearing, the Board shall transmit its written determination to the requesting Member and, if again disapproved, shall specify the reasons for such disapproval.
 - K. Decision of Board Conclusive. The decision of the Board of Directors in approving or disapproving an application of a Member to sublease shall be final and conclusive.
- 5. Minimum Lease Term. No Unit shall be subleased for a period of less than three (3) months. Only two (2) short-term leases of three (3) months duration are allowed per year. This is because of the substantial administrative cost of maintaining sublease records and the sublease waiting list; and excessive wear and tear and damage to the Common Area caused by frequent move-ins and move-outs. By way of example only, a sublease for a weekend or a week is strictly prohibited.
 - 6. Member Liable for Violations of Governing Documents by a Tenant. A Member shall be liable for any violation or infraction of the Governing Documents by their tenant, members of tenant's household, invitees or guests.

7. Repair Damage. Members shall promptly reimburse the Mutual for the costs to repair any damage to the Common Area or Mutual property which is caused by the Member's tenants or by the tenants' family members, guests, invitees, or pets.
8. Responding to Occupancy Inquiries. In order to keep accurate records of Member occupancy in the Mutual and enforce any sublease restrictions in the Governing Documents, Members must promptly respond to inquiries from the Mutual regarding occupancy of their Manors, including provision of contact information. The Board may levy a fine of up to \$100 for failure to respond to such an inquiry by the deadline established by the Board.
9. Death of a Member. Following the death of a Member or trustee (if title to the Membership is held in trust) and during the time period authorized by Bylaws section 6.8.2 in which an heir, devisee, or trust beneficiary holds a Membership, such heir, devisee, or trust beneficiary shall be permitted to sublease the Unit, subject to compliance with the Bylaws and this Subleasing Policy.
10. Hardship Waiver. Upon written request of a Member, the Board shall have the right, but shall not be obligated, to waive the limitation on the number of permitted rentals or the order of priority of requests to rent in cases of deserving and unusual hardship (for instance, an illness requiring temporary relocation for treatment) provided: (i) each such waiver shall be for a limited term, not to exceed one (1) year; (ii) the Member in question shall deliver to the Board a signed statement representing that they will retake possession and occupancy of the Unit as a Resident thereof upon the expiration of such limited term; and (iii) such waiver shall be subject to other conditions as the Board may determine, which conditions may include but shall not be limited to Board review and approval of the lease for such limited term. Members may apply for consecutive hardship waivers and the Board may approve consecutive hardship waivers as deemed appropriate. For purposes of this Section, a "hardship" shall not include a Member's desire for a particular sales price or profit from an otherwise saleable Unit.
11. Enforcement.
 - A. Fines. Fines may be levied for violations of this Rental Policy. The notice and hearing requirements set forth in the Governing Documents shall apply. Violations of this Rental Policy for which fines may be levied include, but are not limited to, the following: (i) failing to maintain a written sublease agreement; (ii) subletting a Unit for a period of less than three (3) months; (iii) failure to respond to an inquiry regarding occupancy by the deadline set forth in Section 8, above; (iv) subletting a Unit for transient or hotel purposes through Airbnb, VRBO, or other similar websites or entities; (v) subletting a Unit in connection with a time-sharing agreement; or (vi) violating any other provision of the Governing Documents.
 - B. Other Remedies. In addition to the imposition of fines, the Mutual may seek other remedies against violators of this Rental Policy, including requesting mediation or

other forms of ADR, and filing a lawsuit in superior court, seeking an injunction, money damages, or any other remedies allowed under law.

- C. Attorneys' Fees and Costs. Members who violate this Rental Policy are liable to the Mutual for all costs and attorneys' fees incurred by the Mutual as a result of any such violations. Any such attorneys' fees and costs incurred can be made the subject of a Reimbursement Assessment which shall be enforceable and collectible pursuant to Section 11.2 of the Bylaws. Additionally, the prevailing party in any legal action to enforce this Rental Policy shall be entitled to their reasonable attorneys' fees and costs.
12. Move Out/Move In Fee. Pursuant to Policy 9.0 (Moving Out/Moving In) and this Policy 17.0, a fee of \$100.00 for each move out and move in shall be charged to the manor.
13. Schedule of Fines. In addition to any other schedule of fines set forth in the Policies, violations of this Rental Policy are subject to the following schedule of fines:
- Violations of Rental Policy:
 - Up to \$250 for each day a Member subleases their Manor if the term is less than three (3) months.
 - Up to \$250 for failure to deliver a written sublease agreement with the Board as required by this Rental Policy.
 - Up to \$250 for each day a Member subleases their Manor if the sublease is in violation of the Mutual's rental cap of 25% of all Manors.

Trash Removal

1. All trash must be placed in the dumpsters provided, including garden trimmings. The only exceptions are recyclable materials such as newspapers, catalogs, junk mail, magazines, telephone books, and flattened cardboard. These should be placed in the appropriately marked recycle containers without plastic bags. In addition, glass bottles and jars, plastic bottles and jars, and metal cans should be placed in the appropriately marked recycle containers without plastic bags.
2. All boxes must be broken down and placed in the recycle container. If the box materials (after being broken down) are too large to fit into the recycle container, such materials should be put into the dumpster. No boxes or material may be left in the trash areas outside of the dumpsters or the recycle container.
3. If a resident's trash area has two dumpsters, it is recommended that the resident alternate dumpsters so that trash is not heaped up in an already full dumpster.
4. All garbage should be collected in plastic bags; e.g., grocery bags, and tied closed before they are placed in the dumpster. This helps control the odor.
5. Automobile tires and batteries should be turned in to the vendor when purchasing replacements. No hazardous materials such as paint products or large items such as old mattresses, furniture and appliances are to be thrown into the dumpster or the dumpster area. Call Mutual Operations at 988-7650 to arrange for a special pick up, for which there will be at least a minimum charge of \$10 for this service.
6. No private garden debris is to be left outside the dumpster area except for Christmas trees, which will be picked up by the Mutual's landscaping contractor.
7. Nothing is to be placed loose in the dumpster area. All garbage or trash is to be deposited in one of the collection bins.
8. The laundry room trash cans may not be used for disposal of any type of household or garden trash or garbage.
9. Each resident is expected to use only the trash area in his/her entry and to help keep it neat and clean.
10. In the area of one's own Manor trash, garbage, accumulated waste plant material, or other waste and refuse shall be deposited only in covered sanitary containers. Such containers shall be located in an appropriate area near each Manor and concealed from view. No Member, Designated Occupant, resident or guest shall permit or cause any garbage, trash, or other waste or refuse to be kept upon any portion of the Mutual except in such containers.

TREE REMOVAL

General

This policy is guided by the fact that trees are one of Rossmoor's most valuable assets, and every alternative should be considered prior to removing any mature tree. A mature tree is defined as one of sufficient size, 28 inches in circumference measured at 4-1/2 feet above ground, to require a permit from the City of Walnut Creek authorizing its removal.

All mature trees located in First Walnut Creek Mutual are covered by the provisions of City of Walnut Creek Ordinance No. 1966 entitled "An Ordinance of the City of Walnut Creek Amending Chapter 8 of Title 3 Relating to the Preservation of Trees on Private Property" adopted August 1, 2000. Relevant portions of such ordinance are included in this policy.

1. Trees Eligible For Removal

- A. Trees that are diseased, dead or dying.
- B. Trees that are causing damage (buckling or cracking) to foundations of structures (manors, carports or laundry rooms) sidewalks or blocking sewer and drain pipes.
- C. Trees that are an immediate hazard. In these cases, Mutual Operations (MOD) has the authority to contact the City of Walnut Creek directly regarding removal of the tree(s).

2. Trees Not Eligible For Removal

- A. Tree is blocking a view. It should be understood by all Mutual residents that no tree will be removed to enhance views.
- B. Tree is "messy" (drops leaves, berries, seed pods, needles, etc.)
- C. Sufficient light is not reaching interior of manor.

3. Mutual Requests For Tree Removals

- A. Authority for initiating removal processes for trees considered eligible for removal lies with MOD or the District Director or the Board of Directors.
- B. If the District Director approves removal of the tree, MOD will notify each manor in writing within 300 feet of the tree in question. The notification must be dated and the permit cannot be requested from the City of Walnut Creek until 14 days after date of notification per City of Walnut Creek Ordinance No.1966.
- C. If there are no appeals by the affected residents, then MOD will make an application for a removal permit from the City of Walnut Creek. However, if the removal application is appealed and more inspection is needed by Directors, the removal application to the City should be delayed until all appeals are cleared. All appeals must be made in writing to the Board of Directors.

4. Resident Requests For Removal

The following procedure is for an individual resident or a group of residents who seek to have a tree removed.

- A. Contact your District Landscape Representative (name posted in the laundry room) or your District Director and make the request.
 - B. District Landscape Representative will inspect the area and then contact the District Director.
 - C. If the District Director approves the removal of the tree, MOD will submit a work order to the District Director. If MOD does not recommend removal of the tree, they submit their reasons to the District Director. If necessary, the matter will be submitted to the Board for final resolution.
 - D. If the District Director approves the work order for removal of the tree, MOD will notify each manor in writing within 300 feet of the tree in question. The notification must be dated and the permit cannot be requested from the City of Walnut Creek until 14 days after date of notification per City of Walnut Creek Ordinance No. 1966.
 - E. If the District Director rejects removal of the tree, the matter is concluded unless the resident or residents who make the initial request choose to appeal to the Board of Directors via a petition. All appeals must be made in writing to the Board of Directors.
5. City Approval and Permit(s)
MOD shall procure all required approvals and permits from the City of Walnut Creek prior to causing the removal of any tree.

BALCONIES, PORCHES, DECKS, FENCES AND GATES

1. Balconies, porches and decks must be maintained in a manner that does not detract from the appearance of the building.
2. Appliances may not be placed on open balconies, porches, patios or decks.
3. Carpeting on open balcony decks is prohibited.
4. Laundry drying, either by racks or clotheslines, is prohibited.
5. Nothing may be hung on or from balconies, porches, railings, fences or gates.
6. Storage of items such as unused furniture, cans, cleaning materials and building supplies must be in storage cabinets or placed out of sight from the outside of the building.
7. Only electric and gas barbecues are allowed on unenclosed balconies, patios, porches, decks, and atriums. A fully charged ABC dry chemical fire extinguisher must be available within 5 feet. All charcoal barbecues are forbidden within First Mutual.

SPAS AND HOT TUBS

A member may install a spa (generally a tub equipped with a water pump) upon approval of a resident Alteration Agreement subject to the following conditions:

1. The installation must conform to all regulations of the city of Walnut Creek, and if necessary, have a permit from the city.
2. The device must only be mounted on a concrete slab on the ground.
3. A prospective spa owner must obtain written approval from owners of neighboring units that might be impacted by the sight, sound or odor of the spa operation.
4. The spa will be removed when the owner vacates or sells the manor, unless, at that time, the owner reaffirms the neighbors' written approval.
5. The spa will not be used from 10 p.m. through 8 a.m. Users of the spa must consider the feelings of the neighbors regarding excessive noise. First Walnut Creek Mutual reserves the right to further limit operating hours or to revoke the approval of a spa in order to resolve neighbor complaints.
6. The contents of the spa must only be drained to a sewer, not to landscaping or lawns.
7. The owner has the responsibility to see that the installation is safe and complies with all applicable codes.

MEMBERSHIP- FINANCIAL REQUIREMENTS

All applicants for membership in the Mutual ("Applicants") must be approved by the Mutual's Board of Directors and satisfy the requirements set forth in the Mutual's Bylaws and Policy Manual. This Section 22.0 of the Policy Manual sets forth the Mutual's financial requirements for membership and includes the factors and guiding principles to be considered and applied by the Board in determining whether a particular Applicant satisfies the Mutual's financial requirements.

1. Minimum Net Income and Liquid Assets. Unless the Applicant qualifies for an exception under paragraph 3.C. of this Policy, the Applicant must satisfy both of the following requirements:

- A. The net monthly income of the Applicant shall not be less than three and one-half (3 1/2) times the monthly carrying charge (i.e., "coupon"), plus the estimated monthly share loan payment (if applicable) and estimated monthly living expenses.
- B. The Applicant's "Liquid Assets" must be equal to or greater than \$50,000, excluding funds that will be used to purchase the membership.
- C. In lieu of satisfying the net monthly income requirements set forth in paragraph 1.A. above, the Applicant may in the alternative show that he or she has \$500,000 in "Liquid Assets" above the \$50,000 required by Paragraph 1.B. above.

2. Applicability to Applicants Using Share Loan Financing. Applicants who obtain share loan financing to purchase their memberships shall not be required to meet the financial requirements set forth in this Policy. Such Applicants shall only be required to satisfy the financial requirements imposed by the lender. Evidence of the Applicant's satisfaction of the lender's requirements shall be provided to the Mutual upon request.

3. Compliance/Non-compliance with Financial Requirements; Exceptions.

- A. Membership approval should not be automatically given to Applicants who meet the guidelines set forth in paragraph 1 above, since such factors as stability of income, other obligations, asset receivers, previous housing expenses, previous credit record, and income remaining for special needs should be considered by the Board.
- B. On the other hand, an Applicant who does not meet the minimum net income requirement set forth in Paragraph 1.A. above should not be automatically

disqualified, since stable liquid assets may be used to supplement such income. Generally, second mortgages and other high risk collateral would disqualify the debt which they secure from being an acceptable source of income. In those cases in which it is contemplated that assets will be used to supplement income, complete details should be furnished by the Applicant to the Board.

C. The Board may, following review of the factors set forth in Paragraphs 3.A and/or 3.B. above and upon good cause shown, grant an exception to the minimum net income requirement and liquid assets requirements set forth in Paragraphs 1.A. and 1.B., respectively.

4. Annual Income. "Annual Income" is that net income, after deduction of federal and state income taxes and that income which will cease at retirement, but includes the income which can reasonably be expected to continue during the member's ownership.
5. Real Estate. Income from rental of real estate is computed on a net basis; taxes, insurance, maintenance, operating expenses and a reasonable balance for probable losses due to vacancies and uncollected rents should be deducted from the gross rental. Net income shall never exceed 75% of gross income.
6. Capital Investments. Amounts received in repayment of the principal of a capital investment should not be considered as effective income, unless it is in the form of a continuing income from annuities or trusts.
7. Other Income or Assets. Other types of income and assets may be disclosed by the Applicant and considered by the Board as part of its determination of whether the Applicant satisfies the minimum net income and Liquid Assets requirements outlined in Paragraph 1 above. For example, the Applicant may want the Board to consider spousal support received pursuant to a "Judgment of Dissolution" or other payments or assets that will be received pursuant to a "Property Settlement Agreement." As to such additional income or assets, the Applicant shall, upon request, provide the Mutual with satisfactory supporting documentation.
8. Bankruptcy. The Applicant shall disclose whether he or she has filed a bankruptcy petition during the seven (7) years prior to applying for membership in the Mutual. The Applicant may submit a signed statement to the Board explaining the circumstances of the bankruptcy proceeding. The Board may consider the bankruptcy and the Applicant's explanation in deciding whether to approve the application for membership.
9. Delegation to Officers. The Board may, by resolution, delegate the authority to act upon applications for memberships and grant exceptions to the minimum income and

Liquid Assets requirements set forth in Paragraph 1 of this Policy to a specific officer or officers.

10. Delegation to MOD Staff. The Board may delegate to MOD staff the authority to review applications and other documents submitted by Applicants, request additional information and documents from such Applicants, and provide recommendations concerning such applications to the Board.

VIOLATION AND FINING POLICY/SCHEDULE OF FINES

1. In General.

This Violation and Fining Policy/Schedule of Fines ("Fine Policy") sets forth the Mutual's policy for imposing sanctions and/or fines (and schedule of fines) for violations of:

- the Mutual's Bylaws;
- the Mutual's Policies; and
- the Occupancy Agreements executed between the Mutual and the respective Members.

2. Definitions.

All capitalized terms used herein that are not otherwise defined in this Policy shall have the definitions ascribed to them in the Bylaws.

3. Member's Responsibility.

- A. Members shall be responsible for violations of the Governing Documents and their Occupancy Agreement.
- B. Members shall also be responsible for violations of the Governing Documents and the Occupancy Agreement by their sublessees, occupants, invitees, guests and pets.
- C. In the case of violations by sublessees, occupants, invitees, guests and/or their pets, the Mutual will notify the Member of the violation.
- D. Any fines imposed for violations of the Governing Documents and Occupancy Agreement, and Reimbursement Assessments levied in accordance with the Bylaws, will be imposed against the responsible Member and such Member's Membership in the Mutual.

4. When Notice and Hearing is Required.

The Board shall, in the manner prescribed by law, provide the responsible Member at least ten (10) days written notice and an opportunity to be heard at a hearing before the Board prior to (i) imposing a fine, (ii) levying a Reimbursement

Assessment or (iii) suspending the Member's voting rights and/or ability to serve on the Board.

5. Delegation of Authority to Manager.

The Mutual's managing agent, currently Mutual Operations Division or MOD ("Manager"), is expressly delegated the authority to send to Members, on the Board's behalf, courtesy notices, notices of violation, hearing notices, and decisions rendered by the Board at a hearing. The Manager shall not, however, have the authority to hold hearings or levy Reimbursement Assessments or fines.

6. Imposing Sanctions.

The Board may impose one or more sanctions if it determines at the hearing (scheduled and held in accordance with paragraph 4 above and the Bylaws) that a Member and/or his or her sublessees, occupants, invitees, guests and/or their pets has committed a violation of a particular provision of the Occupancy Agreement or the Governing Documents. The Member is entitled to attend the hearing with his or her legal representative and to address the Board. Sanctions may be imposed even if the Member does not appear at the hearing when scheduled or does not submit a written explanation to the Board at or before the hearing.

7. Sanctions; Reimbursement Assessments.

Sanctions imposed by the Board may include, but are not limited to, (i) imposition of a fine in accordance with the Schedule of Fines adopted by the Board (see paragraph 9 below), (ii) levy of a Reimbursement Assessment against the Member and his or her Membership in accordance with the Bylaws, and/or (iii) suspension of the Member's voting rights and/or ability to serve on the Board.

8. Payment of Fines, Reimbursement Assessments and Costs.

Reimbursement Assessments and fines are due and payable to the Mutual when levied by the Board. Reimbursement Assessments and fines are delinquent if not paid within 15 days after they are due. Reimbursement Assessments that are not paid within 15 days after they are due shall bear late charges in accordance with the Mutual's Collection Policy (Section 8.0 of the Policy Manual).

9. Schedule of Fines.

The Board of Directors has adopted the following Schedule of Fines, which will be in effect until changed by the Board:

- A. First violation: Board may issue a warning or levy a fine of up to \$100.00.
- B. Second violation of same nature or subject matter: Board may levy a fine of up to \$200.00.
- C. Third violation of same nature or subject matter: Board may levy a fine of up to \$300.00.

The Board may also, in its discretion, and in addition to levying a fine, impose additional sanctions as authorized by this Fine Policy or by law.

10. Penalties in Addition to Corrective Measures.

The imposition of Reimbursement Assessments, fines and other sanctions are not alternatives to Members' compliance with their Occupancy Agreements and the Governing Documents. Compliance may include, but is not limited to, the correction, repair or replacement of non-complying conditions, all at the Member's cost.

11. Other Remedies.

The Mutual reserves the right to avail itself of any other remedy permitted by law, the Occupancy Agreement and/or the Governing Documents and to enforce the provisions of the Occupancy Agreement and the Governing Documents. These remedies include, but are not limited to, taking action to terminate the Membership, bringing an action in Small Claims or Superior Court, or requesting that the matter be submitted to some form of dispute resolution. Such remedies may be taken in addition to or in lieu of any action already taken, and commencement of one remedy shall not prevent the Mutual from electing at a later date to pursue another remedy.

SHARE LOAN FINANCING

1. Definitions.

All capitalized terms used herein shall have the meanings ascribed to them in the Bylaws. The term "Share Loan" is defined in Section 6.11.1 of the Bylaws.

2. In General.

Section 6.11.2 of the Bylaws authorizes the Board to establish the maximum amount of Share Loans and the "loan to value" ratio that shall be required for Share Loans acquired by Members and secured by a Membership in the Mutual.

3. Minimum Loan to Value Ratio.

The original principal amount of the Share Loan plus any additional amounts secured by the Membership shall not in the aggregate exceed seventy percent (70%) of the then fair market value of the Membership. In calculating the seventy percent (70%) limitation imposed by the preceding sentence, the Membership's share, if any, of the blanket encumbrance on the real property on which the Member's Manor is located shall not be included.

4. Applicability of Membership - Financial Requirements.

As more fully described in Paragraph 2 of the Membership – Financial Requirements Policy (Section 22.0 of the Policy Manual), applicants who obtain Share Loan financing to purchase their Memberships shall not be required to meet the financial requirements imposed by that Policy.

FIRST WALNUT CREEK MUTUAL VOTING

AND ELECTION RULES

1. General.

1.1 These Rules are intended to comply with Civil Code sections 5100 through 5130 and shall apply to Member voting: (1) to elect or remove Members of the Board of Directors; (2) regarding assessments; (3) regarding amendments to the governing documents; (4) regarding the granting of exclusive use of common area property; and (5) at the discretion of the Board of Directors, regarding any other matter that may be the subject of a vote of Mutual Members. These Rules shall become effective on April 24, 2020.

1.2 As used in these Rules, "general notice" means providing notice by one or more of the following methods: any method provided for delivery of an individual notice pursuant to Civil Code section 4040; inclusion in a billing statement, newsletter, or other document; posting the printed document in a prominent location that is accessible to all Members, if the location has been designated for the posting of general notices by the Mutual in the annual policy statement (e.g., on the bulletin board in the Gateway Administration Center); if the Mutual broadcasts television programming on GRF-owned Rossmoor Channel 28 for the purpose of distributing information on Mutual business to its Members, by inclusion in the programming.

2. Access to Mutual Media and Facilities.

2.1 No candidate or Mutual Member advocating a point of view for purposes related to an election covered by these Rules shall be allowed access to any form of Mutual media including, but not limited to, newsletters, common area bulletin board, internet website, social media pages or television programming after written ballots are distributed as specified in Section 7.1 until the conclusion of the election. "Mutual media" shall not include correspondence to the Members via first-class mail, personal delivery, or email. For purposes of this section, "advocacy" shall not include the following: (1) "get out the vote" efforts or publication of communications in any format which are solely for the purpose of encouraging Members to timely return ballots to the Inspector(s) of Elections for tabulation; (2) descriptions of the purpose and effect of a proposed rule change pursuant to Civil Code section 4360; or (3) a factual summary of significant changes to the governing documents accompanying the text of a proposed amendment pursuant to Civil Code section 5115(e).

2.2 "Equal access" shall mean, for written statements on any platform, publication of written statements not to exceed a predetermined number of words and, for broadcast statements on any platform, including GRF-owned Rossmoor Channel 28, broadcast statements not to exceed a predetermined length of time. The Board may require that broadcast statements be pre-recorded in order to comply with the predetermined time limit. The

Board shall not edit or redact any statement, and shall not be required to publish any statement, written or broadcast, which exceeds the predetermined word or time limit.

- 2.3 The Mutual shall not be responsible or liable for the content of any statement published pursuant to the "equal access" rules. The author or proponent of any statement or point of view shall be solely responsible and liable for the content of their statements. All statements published in Mutual media pursuant to the "equal access" rules must identify the author or proponent, which author or proponent must be a Mutual Member to be eligible to publish in Mutual media. Anonymous statements will not be accepted or published.
- 2.4 If the Mutual uses Mutual media to advocate for a particular position (excepting "get out the vote" activities as described above) regarding an election of Directors to the Board, then it shall make the same media in a comparable format (but not necessarily contemporaneously) available to all candidates to allow advocacy by the candidate(s) regarding the Mutual position. Additionally, the Board may, but is not required to, generally make Mutual media (i.e., posting on the Mutual's official bulletin board, official website, broadcasting via GRF-owned Rossmoor Channel 28 or other television or internet video channel, newsletter, or other notices mailed or delivered by the Mutual to the owners of the Units) available to candidates running for election to the Board for purposes that are reasonably related to the election in which that candidate is running. If the Board allows such general access to Mutual media, then all candidates shall be allowed equal access to the same media.
- 2.5 If the Mutual uses Mutual media to advocate for a particular position (excepting "get out the vote" activities as described above) regarding any other matter, then it shall make the same media in a comparable format (but not necessarily contemporaneously) available to Members advocating a point of view. Additionally, the Board may, but is not required to, generally make Mutual media (i.e., posting on the Mutual's official bulletin board, official website, broadcasting via GRF-owned Rossmoor Channel 28 or other television or internet video channel, newsletter, or other notices mailed or delivered by the Mutual to the owners of the Units) available to Members for purposes that are reasonably related to the election in which the Mutual advocated a position.
- 2.6 For each election of Directors, the Mutual may, but is not required to, schedule one "Meet the Candidates" town hall meeting at GRF common area meeting space where each nominated candidate may attend and speak to any Mutual Members choosing to attend according to guidelines which may be established by the Board of Directors.
- 2.7 For each other election subject to these Rules, the Mutual may schedule one informational meeting at GRF common area meeting space at which any Member advocating a point of view which is the subject of a pending election may attend and address the attendees according to guidelines which may be established by the Board of Directors.

- 2.8 With the exception of refreshments which may be provided at the above assemblies, no Mutual funds shall be used for campaign purposes in connection with any election which is subject to these Rules.
- 2.9 The Board shall ensure that all candidates for election to the Board are given access to common area meeting space, at no cost, for purposes related to their campaigns.
- 2.10 Whenever the Board places a matter before the Members which requires Member approval, the Board shall ensure that Members advocating a point of view on the matter are given access to common area meeting space, at no cost, for purposes reasonably related to advocating their point of view, whether or not they agree with the point of view advocated by the Board on the matter at issue.

3. Qualifications of Candidates.

- 3.1 Consistent with Civil Code section 5105(b), candidates for the Board of Directors must meet qualifications as set forth hereafter.
 - 3.1.1 Be a Member of the Mutual prior to the close of nominations;
 - 3.1.2 Be current in all regular and special assessment payments, to the extent that the Bylaws hold current directors to the same standard;
 - 3.1.3 Not have a past criminal conviction that would either (a) prevent the Mutual from purchasing the fidelity bond coverage required by Civil Code section 5806 should the person be elected, or (b) terminate the Mutual's existing fidelity bond coverage as to that person should that person be elected; and
 - 3.1.4 No more than one (1) Owner of any particular Unit may serve on the Board at the same time.
- 3.2 Candidates shall be required to reside in the District, as that term is defined in the Bylaws at Section 8.2, that they serve, except in the following circumstances:
 - 3.2.1 In the case of a Director election, when no Member who resides in a specific District has, before the published deadline for nominations, placed his or her name in nomination for election to the Board to represent that District, any Member of the Mutual who satisfies the qualifications of candidates set forth in these Rules may run for and be elected to the Board of Directors to represent such District; and,
 - 3.2.2 When the Board fills a vacancy on the Board of Directors that has occurred due to the disqualification, death, or resignation of a Director, or if the authorized number of Directors is increased, or if the Members fail to elect the full authorized number of Directors.

4. Nomination of Candidates.

- 4.1 To the extent not in conflict with Civil Code sections 5100 and 5105, candidates for the Board of Directors shall be nominated as set forth hereafter.
 - 4.1.1 At least 30 days before any deadline for submitting a nomination, the Mutual shall provide general notice of the procedure and deadline for submitting a nomination and shall give all Members an opportunity to nominate themselves as candidates for the Board of Directors.
 - 4.1.2 Interested persons must inform the Mutual's managing agent or Board of Directors in writing of their request to be a candidate for the Board of Directors (self-nomination). Any self-nominated candidate must disclose a past criminal conviction that would either prevent the Mutual from purchasing the fidelity bond coverage required by Civil Code section 5806 should the person be elected or terminate the Mutual's existing fidelity bond coverage as to that person should that candidate be elected to the Board.
 - 4.1.3 Nominations for candidates wishing to be included on the mailed ballots shall close on the date established by the Mutual. All nominations to be included in the written ballot must be in writing and delivered to the Mutual by the deadline established by the Mutual, which deadline shall be in advance of the date on which the ballots are mailed.
 - 4.1.4 The Mutual shall review all persons so responding for compliance with the qualifications identified in Section 3 of these Rules.
 - 4.1.5 All qualified persons who timely respond to the Mutual's solicitation shall be candidates for the Board of Directors at the next election.
 - 4.1.6 The Mutual shall provide general notice of the following at least 30 days before the ballots are distributed:
 - a. The date and time by which, and the physical address where, ballots are to be returned by mail or handed to the Inspector(s) of Elections;
 - b. The date, time and location of the meeting at which ballots will be counted; and
 - c. In an election of Directors, the list of all candidates' names that will appear on the ballot (i.e., the candidate registration list).
 - 4.1.7 The Mutual shall permit Members to verify or correct, by providing documentary evidence (including, but not limited to, a grant deed or general power of attorney) satisfactory to the Inspector(s) of Elections, the accuracy of their individual information on the candidate registration list (as applicable) and the voter list. The voter list shall include the voter/Member's name, voting power, and either the physical address of the voter's (a) Unit, or (b) parcel number, or (c) both, and

the mailing address for the ballot if it differs from the physical address of the separate interest or if only the parcel number is used.

5. Inspector(s) of Elections.

- 5.1 The Board shall appoint one or three Inspector(s) of Elections who shall perform all functions required by Civil Code sections 5105 and 5110, including:
 - 5.1.1 Determine the number of Members entitled to vote and the voting power of each;
 - 5.1.2 Determine the authenticity, validity and effect of proxies, if any;
 - 5.1.3 Receive and be the custodian of ballots, and direct the location to which ballots shall be sent until tabulated by the Inspector(s) of Elections;
 - 5.1.4 Correct errors or omissions on the candidate registration list (if any) and/or voting list within two business days of the errors or omissions being reported, with receipt of satisfactory documentary evidence;
 - 5.1.5 Hear and determine all challenges and questions in any way arising out of or in connection with the right to vote;
 - 5.1.6 Count and tabulate all votes;
 - 5.1.7 Determine when the polls shall close, with the discretion to extend the deadline for voting as necessary;
 - 5.1.8 Determine the results of the election; and
 - 5.1.9 Report the results of the election to the Board of Directors.
- 5.2 Eligible Inspectors of Elections may include:
 - 5.2.1 Any Mutual Members who are not Members of or candidates for the Board of Directors nor relatives of Members or candidates for the Board of Directors; and
 - 5.2.2 An independent third party who is not currently employed or under contract to the Mutual for any compensable services other than serving as an Inspector of Elections.
- 5.3 The Mutual may, at the discretion of the Board of Directors, provide reasonable compensation to the Inspector(s) of Elections.
- 5.4 The Inspector(s) of Elections may appoint and oversee additional persons to verify signatures and to count and tabulate votes as the Inspector(s) deem appropriate, provided that the appointed persons would themselves be eligible to serve as Inspector(s) of Elections pursuant to Section 5.2, above.

6. Voting Rights.

- 6.1 Each Mutual Member shall be entitled to a single vote with regard to each matter that is the subject of a pending election. For purposes of these Rules, therefore, all record owners of a single Unit shall collectively constitute one "Mutual Member." In an election of Directors, each Mutual Member shall be entitled to cast the number of votes equal to the number of Directors to be elected. However, cumulative voting is not permitted. Write-in candidates are not permitted in an election of Directors.
- 6.2 A Member shall not be denied a ballot for any reason other than not being a Member at the time when ballots are distributed.
- 6.3 A ballot may not be denied to a person with general power of attorney for a Member and a ballot of a person with general power of attorney for a Member must be counted if returned in a timely manner (i.e., by the ballot return deadline).
- 6.4 The voting period will run from the date on which ballots are distributed (as specified in Section 7.1, below) until the polls are closed.

7. Voting Procedures.

- 7.1 Mailing of Voting Packets. At least 30 days before the election, one voting packet shall be delivered to each Mutual Member. Each packet shall contain the following:
 - 7.1.1 The ballot or ballots;
 - 7.1.2 Two sealable envelopes. The smaller (inner) envelope shall have no markings identifying the voter. The larger (outer) envelope shall be pre-addressed to the Inspector(s) of Elections, First Walnut Creek Mutual. The upper left corner of the larger envelope shall contain the Member's name, address, and Unit number that entitles the Member to vote (or provide spaces to fill in such information) and provide a place for the Member's signature;
 - 7.1.3 Instructions on how to use the two-envelope system; and
 - 7.1.4 Notice of the date, time and location of the meeting of the Board or Members at which the ballots will be opened and tabulated.
 - 7.1.5 A copy of these Voting and Election Rules (via individual delivery or posting to an internet website and including the corresponding website address on the ballot together with the phrase, in at least 12-point font: "The rules governing this election may be found here: rossmoor.com website.").
- 7.2 Ballot Content. Each ballot shall contain the following:
 - 7.2.1 In an election of Directors, each candidate's name listed alphabetically;

7.2.2 The identification of any other matter that is the subject of a pending Member vote;

7.2.3 A statement of when ballots must be returned by mail or hand delivery.

7.3 Receipt of Ballots.

7.3.1 All ballots shall be received by the Inspector(s) of Elections at locations as specified by the Inspector(s) of Elections.

7.3.2 If so directed by the Inspector(s) of Elections, the Mutual's management staff shall maintain a log of all ballot envelopes received, noting whether the outer envelopes were signed or unsigned. The Inspector(s) of Elections may contact Members who return unsigned envelopes and make arrangements for Members to sign the envelopes prior to the date that the ballots are opened and tabulated.

7.3.3 Once a ballot has been received by the Inspector(s) of Elections, it may not be revoked. A ballot shall be considered received when the voting packet envelope (the outer envelope containing the inner envelope containing the ballot) has been received by the Inspector(s) of Elections.

7.3.4 Each ballot received by the Inspector(s) of Elections shall be treated as a Member present at a meeting for purposes of establishing a quorum if a quorum is required by the governing documents or California law to conclude the election.

7.3.5 The sealed ballots, signed outer voter envelopes, voter list, proxies, and (if applicable) candidate registration list (collectively, the "Mutual election materials") shall at all times be in the custody of the Inspector(s) of Elections or at a location designated by the Inspector(s) until after the tabulation of the vote at a properly noticed, open meeting of the Members or the Board of Directors, and until the time allowed by Civil Code section 5145 for challenging the election has expired (i.e., one (1) year after the election), at which time custody shall be transferred to the Mutual.

7.4 Proxies. The use of proxies in connection with votes of the Members and/or meetings of the Member is expressly prohibited.

7.5 Election by Acclamation. Unless prohibited by the Bylaws, if, as of the published deadline for nominations, the number of qualified candidates nominated does not exceed the number of Directors to be elected, then the individuals nominated and qualified to be elected may be declared elected on a date determined by the Board and/or the Inspector(s) of Elections, in which case written notice of the election results shall be given to the Members.

8. Tabulation of Ballots.

8.1 The voting packet envelopes shall be opened by the Inspector(s) of Elections after the close of the of the polls which shall be determined by the Inspector(s). The Inspector(s)

of Elections, or their designees, may verify the Member's information and signature on the outer envelope prior to the opening and tabulation of ballots.

- 8.2 The voting packet envelopes shall be opened and the ballots tabulated by the Inspector(s) of Elections in public at a properly noticed, open meeting of the Members or of the Board of Directors.
- 8.3 Any candidate or other Member of the Mutual may witness the counting and tabulation of the ballot. However, no Mutual Member or candidate shall communicate with the Inspector(s) during the tabulation process, and all Members and candidates must remain at least five feet away from the counting area. The Inspector(s) of Elections may cause the removal of any observer who interferes with or disrupts the counting or tabulation process.
- 8.4 At the meeting at which ballots are to be opened and tabulated, the Inspector(s) of Elections may announce to the Members present those Members who neglected to sign the outer envelope and provide an opportunity for those Members to sign the outer envelope prior to tabulation of the ballots.
- 8.5 In the event there is a tie between candidates for the last open position on the Board, a runoff election shall be conducted via secret written ballot in accordance with these Rules. Under these circumstances, the procedures set forth above regarding the nomination of candidates shall not apply.
- 8.6 The results of the election shall be promptly reported to the Board of Directors and shall be recorded in the minutes of the next meeting of the Board of Directors.

9. Additional Procedures.

- 9.1 The Board of Directors shall give general notice of the tabulated results of the election within 15 days by a communication directed to all Members.
- 9.2 One year after the conclusion of the election, the Inspector(s) of Elections shall transfer custody of all ballots, signed outer voter envelopes, voter list, proxies and (if applicable) candidate registration list ("Mutual election materials") to the Mutual; the Mutual shall maintain the Mutual election materials for an additional two (2) years.

- 9.3 In the event of a re-count or challenge, the Inspector(s) of Elections shall, upon written request, make the Mutual election materials available for inspection by the challenging Mutual Member or its authorized representative. Outer voter envelopes may be inspected but may not be copied. The Mutual shall be entitled to redact the address of any Member on the voter list who has opted out of the membership list and the voter list. Any re-count shall be conducted in a manner designed to preserve the confidentiality of the vote.

Adopted on April 24, 2020 by the Board of Directors

ELECTRIC VEHICLE CHARGING STATION POLICY

A. GENERAL

1. This Electric Vehicle Charging Station Policy ("Policy") is intended to comply with Civil Code section 4745 which reflects the State of California's policy of encouraging the use of Electric Vehicle Charging Stations (EVCS).
2. It is the policy of the Mutual to comply with Civil Code section 4745 by approving, whenever reasonably possible, applications for the installation of EVCS and electric wiring and related components necessary to provide electricity sufficient to power approved EVCS installed in assigned carports, Exclusive Use Common Area parking spaces or Common Area Parking Spaces. Such installation would provide "hard wire" connections to EVCS as opposed to providing for plug outlets to supply power to portable charging devices.
3. All capitalized terms that are not otherwise defined in this Policy shall have the meanings ascribed to them in the Bylaws.

B. REQUIREMENTS

1. Any member of the Mutual who proposes to install an EVCS ("Member" or "Applicant") shall submit an Alteration Application, follow the procedures set forth in the Mutual's Alteration Policy (contained in Section 1.0 of the Mutual's Policy Manual) for physical modifications to the property, and procure an Alteration Permit prior to installation of the EVCS.
2. The following are the submittals that must accompany the Alteration Application for installation of an EVCS:
 - a. Fully filled out and executed Alteration Application;
 - b. Plans and specifications clearly indicating where the EVCS is to be located, the brand or manufacturer, technical specifications, and dimensions (i.e., height, width, weight, etc.) as well as structural requirements;
 - c. An acknowledgement satisfactory to Mutual that the Member will procure a homeowner liability insurance policy providing \$1 million in coverage and will provide satisfactory evidence to the Mutual, within fourteen (14) days of the Mutual's approval of the EVCS, that the Mutual has in fact been named as an additional insured under the Applicant's homeowner liability

insurance policy providing \$1 million in coverage with a right of notice of cancellation; and

d. A fully executed EVCS Installation and Maintenance Agreement substantially in the form attached hereto as Exhibit "A", binding Applicant and his or her successors to:

- i. indemnify and hold harmless the Mutual;
- ii. continue the \$1 million liability insurance and additional insured endorsement in effect;
- iii. pay for the electricity usage associated with the EVCS;
- iv. be responsible for costs of damage to the EVCS and related property from the installation, maintenance, repair, removal, or replacement of the EVCS;
- v. be responsible for costs of maintenance, repair and replacement of the EVCS; and
- vi. disclose to prospective buyers the existence of the EVCS and the related responsibilities of the Member.

3. Alteration Applications which include all specified submittals shall be responded to within 60 days of a valid submission.
4. Within fourteen (14) days of approval by Mutual of Applicant's request for permission to install the EVCS and before commencement of installation, the Applicant shall provide the Mutual with satisfactory evidence that the Mutual has been named as an additional insured under the Applicant's \$1 million homeowner insurance liability policy with a right of notice of cancellation.
5. The installation shall be performed by a qualified, licensed and insured contractor meeting all the requirements set forth in the Alteration Permit or otherwise imposed by the Mutual.
6. Applicant shall comply with all applicable governmental laws and regulations and procure all required City of Walnut Creek and governmental permits and authorizations before installing the EVCS. The EVCS shall meet all applicable governmental and industry safety standards, and local permitting requirements.
7. If visible from the Common Area or other Exclusive Use Common Area, the EVCS must conform to the surrounding structures and environment in design,

size, and appearance. Visually the installation shall appear neat and attractive, without exposed wiring or visible damage to surrounding improvements.

8. The Applicant and each successive owner of the EVCS shall pay for all electricity usage associated with the EVCS. The Board may, by resolution adopted from time to time, establish the rates that will be charged for electricity usage.
9. The Applicant and each successive owner of the EVCS shall be responsible for:
 - a. all costs for damage to the EVCS, Common Area, Exclusive Use Common Area or Manor resulting from the installation, maintenance, repair, removal, replacement or existence of the EVCS;
 - b. all costs for the installation, operation, maintenance, repair and replacement of the EVCS and all additions or modifications to existing Mutual electrical components until the EVCS has been removed and for the restoration of the Common Area, Exclusive Use Common Area or Manor after the removal;
 - c. disclosing to prospective buyers the existence of the EVCS and the related responsibilities that said buyer will assume, including:
 - i. maintenance at all times of a homeowner liability insurance policy providing \$1 million in coverage which also names the Mutual as an additional insured under the policy with a right to notice of cancellation;
 - ii. the obligation to pay for the electricity usage associated with the EVCS;
 - iii. responsibility for all costs for damage to the EVCS, Common Area, Exclusive Use Common Area or Manor resulting from the installation, maintenance, repair, removal, replacement or existence of the EVCS;
 - iv. responsibility for the cost of the maintenance, repair and replacement of the EVCS until it has been removed and for the restoration of the Common Area, Exclusive Use Common Area and/or Manors after the removal; and
 - v. responsibility to disclose to prospective buyers the existence of any charging station and the related responsibilities of the Member pursuant to Civil Code section 4745.

10. Nothing in this Policy shall modify, release or otherwise discharge any rights of the Mutual or obligations of its members imposed pursuant to the Mutual's Governing Documents, Occupancy Agreements executed by the Mutual and its members, and applicable law.
11. The prevailing party in any dispute arising out of the interpretation, violation or enforcement of the provisions of this EVCS Policy or documents created as called for herein shall be awarded their reasonable attorneys' fees and costs.

EXHIBIT "A"
FORM OF EVCS Installation and Maintenance Agreement
(Attached)

EVCS Installation and Maintenance Agreement

First Walnut Creek Mutual ("Mutual") and _____ and _____ *[insert Manor address]*, Walnut Creek, CA 94595 (if more than one, collectively "Applicant"), who may hereafter collectively be referred to as the "Parties," for valuable consideration, the receipt of which is hereby affirmed, agree as follows:

1. Applicant is the record owner of a membership ("Membership") in First Walnut Creek Mutual, and is subject to the Mutual's Bylaws and Policies.
2. Applicant has requested permission from the Mutual to install an Electric Vehicle Charging Station (EVCS) on **(circle one) Common Area/Exclusive Use Common Area** [commonly referred to as **Carport Space No. _____**]. Mutual has adopted an Electric Vehicle Charging Station Policy ("EVCS Policy") in compliance with Civil Code section 4745 which imposes reasonable conditions for the approval of such applications.
3. This Agreement shall be binding upon the Applicant and all successor owners of the Membership, and put all potential and successor owners of the Membership on notice of the terms and obligations imposed herein.
4. Civil Code section 4745 calls for Applicant "and each successive owner of the charging station" to be responsible for the following:
 - a. all costs for damage to the EVCS, Common Area, Exclusive Use Common Area, or Manor resulting from the installation, operation, maintenance, repair, removal, replacement or existence of the EVCS;
 - b. all costs for the maintenance, repair, and replacement of the EVCS until it has been removed and for the restoration of the Common Area (including Exclusive Use Common Area) after removal;
 - c. the cost of electricity associated with the EVCS;
 - d. disclosing to prospective buyers the existence of any EVCS and the related responsibilities of the owner of the EVCS under law; and
 - e. maintaining at all times a homeowner liability coverage policy in the amount of \$1 million (\$1,000,000), which shall name the Mutual as a named additional insured under the policy with a right to notice of cancellation.

5. Applicant shall provide evidence of the required insurance coverage in writing within fourteen (14) days of approval by Mutual of Applicant's request for permission to install the EVCS and before commencement of installation of the EVCS.
6. Applicant, for itself and on behalf of all successor owners of the Membership and EVCS, further agrees to defend, indemnify and hold harmless Mutual, its members, employees, and agents from all claims, liabilities, obligations and damages arising out of or related in any way to the installation and maintenance of the EVCS for which Applicant has requested permission to install.
7. Installation of the EVCS shall be performed by a qualified, licensed and insured contractor meeting all the requirements set forth in the Board's written approval or otherwise imposed by the Mutual.
8. Applicant shall comply with all applicable governmental laws and regulations and procure all required City of Walnut Creek and governmental permits and authorizations before installing the EVCS. The EVCS shall meet all applicable governmental and industry safety standards, and local permitting requirements.
9. The Parties and their successors agree to be bound and abide by all provisions of Civil Code section 4745 and any successor statutes.
10. Nothing contained in this Agreement shall eliminate, override, or modify, in any way, Applicant's obligation to obtain architectural approval from Mutual pursuant to the Mutual's Alteration Policy and Civil Code section 4745 for the installation of the requested EVCS.
11. Mutual shall be entitled to recover from Applicant all costs, including attorneys' fees necessary to enforce the provisions of this Agreement. In the event of any litigation, arbitration or other legal proceeding arising out of this Agreement, the prevailing party shall be entitled to recover its attorneys' fees and costs expended as a result.

Applicant

Applicant

Manor Address

Carport Number

Date

FIRST WALNUT CREEK MUTUAL

By

Its

Date

SOLAR ENERGY POLICY

A. DEFINITIONS

Solar Energy System (SES): Any photovoltaic solar system providing collection, storage, and distribution of solar energy into the structural and electrical systems of the unit. Included in the solar module are solar panels, mounting systems, and wiring systems (disconnects for the DC and AC sides of the inverter, ground-fault protection, and overcurrent protection).

Exclusive Use Common Area: A portion of the Common Area that is set aside for the exclusive use of one or more, but fewer than all, of the Owners, and is appurtenant to the Manor(s), including patios, decks, verandas, balconies, storage spaces, parking spaces, and carports (as applicable) that are assigned and/or appurtenant to a Manor.

Additionally, the Common Area roof of the building of the Manor in which the owner resides or the roof of the Exclusive Use Common Area carport appurtenant to the Manor may be assigned for exclusive use to an Owner for the installation of a roof-top solar energy system (SES).

B. SOLAR ENERGY SYSTEMS (SES)

This section sets forth First Walnut Creek Mutual's rules for the installation and maintenance of SES (as defined) pursuant to Public Resource Code Section 25982, Civil Code Section 714, Civil Code Section 714.1, and Civil Code Section 4746, as amended.

An SES may be installed within the Common Areas or Exclusive Use Common Areas of the First Walnut Creek Mutual ("Mutual"), only as permitted under this policy. Any systems installed in violation of this policy will be removed, and the surrounding areas and electrical connections will be restored to their previous condition at the violating Owner's expense.

The Mutual is required to maintain, repair and replace Common Area roof systems, including the Common Area roofs or the roofs of the Exclusive Use Common Area carports. It is the intent of this Policy to recognize the statutory rights of Owners to install rooftop SES's, and to enable the Mutual to perform its exterior maintenance, repair, and replacement obligations.

1. SELECTION OF AN SES PROVIDER

The selection of an SES Provider is the sole responsibility of the Owner who wishes to become an SES Owner. All requirements and responsibilities

regarding solar policies must be agreed to and met by the SES Owner before the Alteration Application for the installation of a SES will be approved by the Mutual.

1.1 Prior to approval, the SES installer must be licensed and have insurance coverage that meets the following minimums:

- (a) Worker's Compensation with minimum coverage required by California law, and
- (b) Contractor's General Liability (including completed operations) with policy limits of at least \$1,000,000.
- (c) The SES installer must provide copies of certificates of insurance for the above policies, which name the SES Owner and the Mutual as insureds.

1.2 The SES Provider must utilize only the components agreed upon by the Board for all installations to maintain uniformity of all installations within the Mutual. These include:

- (a) Only non-glare, black solar panels and black frames (racking) will be approved.
- (b) Adherence to the distributive solar generating allotment of roof space for the project as plotted in the solar survey.
- (c) Duration of installation project must be specified and adhered to.
- (d) The installed SES must operate at less than 50 decibels.

2. ALLOCATION OF AVAILABLE SOLAR SPACE

The installation of an SES will be limited to the Common Area roof of the building of the Manor in which the SES Owner resides or the roof of the Exclusive Use Common Area carport appurtenant to the Manor. SES installations on the Common Area roof or the roof of an Exclusive Use Common Area carport will be initially limited to the flat portions of the roof unless the solar survey indicates there is insufficient solar space on the flat portion.

2.1 Installation of all SES's on the Common Area roofs or the roofs of the Exclusive Use Common Area carports will be based on a solar survey containing the following information:

- (a) A determination of total usable area of the Common Area roof or the Exclusive Use Common Area carport roof on which the SES will be installed;

- (b) A determination of the maximum number of SES's which can be installed on the Common Area roof or the Exclusive Use Common Area carport roof; and
 - (c) A determination of the equitable allocation of the total usable area of the Common Area roof or the Exclusive Use Common Area carport roof among all Owners sharing the same roof.
- 2.2. Installation of all SES's on the Common Area roofs or the roofs of the Exclusive Use Common Area carports will also be based on equitable apportionment of available solar space for current and future SES applicants within a building. The Board's goal is to ensure fair distribution of usable solar space for all SES Owners based on:
- The availability of usable solar space as determined by a solar survey, and
 - The roof plan.
- 2.3. The solar survey and the roof plan, prepared by a licensed contractor or the contractor's registered salesperson knowledgeable in the installation of an SES, must be performed and submitted to the Mutual's Building Committee or the Board (if no Building Committee is appointed) for determination of the usable solar space available to all Owners sharing the same roof. The roof plan must be to scale showing the physical plant and locations of existing roof vents, skylights, etc. These documents will identify the available and usable solar space on the roof.
- 2.4. Based on the solar survey, usable solar space for a roof will be reasonably apportioned by the Mutual taking into consideration the following constraints:
- (a) Walkways for the maintenance of existing roof equipment, vents, skylights, and gutters;
 - (b) Walkways deemed necessary by the Walnut Creek Fire Department;
 - (c) A number of plots (with the same square footage) equal to the number of Owners sharing the same roof, and
 - (d) Any other constraints outlined in the solar survey.
- NOTE: The resulting allocation of roof space may not be able to fully accommodate the solar generation needs of an SES applicant.
- 2.5. An SES applicant will identify one unused plot for the installation of their SES.

- 2.6. This roof plan will be used to identify a plot for future SES Owners sharing the same roof.

3. APPROVAL PROCESS

No SES may be installed or maintained within the Common Area of the Mutual without the written consent of the Mutual Board. The Board will generally utilize the same review and approval process used for other proposed physical changes to the Manor, the Exclusive Use Common Area, or the Common Area. Alteration permits, will be required as delineated in Mutual's Operating Rule 1.0.

- 3.1. SES applicants must notify each Owner sharing the same roof on which the installation will be located of their intentions to install an SES and attach to the Alteration Application:

- Certification of the names, addresses and dates of the notifications, and
- Any written comments by those Owners notified.

No application may be denied because of objections by an Owner sharing the same roof, but may be used by the Mutual in establishing any reasonable restriction on the installation.

- 3.2. The Mutual Building Committee or the Board (if no Mutual Building Committee is appointed) will review the Alteration Application for reasonable restrictions on the installation within time limits prescribed in Civil Code Section 714. Any Alteration Application that complies with this policy will be not be denied by the Board.
- 3.3. The SES applicant must provide satisfactory evidence of compliance with all requirements of the City of Walnut Creek by obtaining applicable permits, authorizations, and approvals through the City of Walnut Creek.
- 3.4. Before approving installation of any SES within the Mutual, the Board requires every SES applicant to execute a separate Solar Energy Systems Maintenance and Indemnity Agreement, in substantially the form attached hereto as Exhibit A ("Indemnity Agreement"). In the Indemnity Agreement, SES Owner shall acknowledge that he or she has read and understands all related Solar Energy Systems (SES) rules and agrees to comply with all of them.
- 3.5. In reviewing an Alteration Application for the installation of a SES, the Mutual may have its own solar survey prepared at the SES Owner's

expense. The Mutual also may hire a consultant, at the SES Owner's expense, to review all information and documentation provided by the SES Owner, including, but not limited, to the solar survey.

- 3.6. In the event that the SES Owner is leasing the SES from a third party (rather than purchasing it outright), the SES Owner agrees to include a provision in the lease with the third party that the Mutual shall not be responsible for any damages or losses resulting from the Mutual removing the SES to enable the Mutual to meet its maintenance, repair and/or replacement obligations as imposed by the Mutual's governing documents and/or California law.

Furthermore, in this Indemnity Agreement, the SES applicant agrees to indemnify, defend, and hold harmless the Mutual, Golden Rain Foundation and their respective officers, directors, employees, agents, members, and their respective successors, and assigns (hereinafter "Indemnitees"), from and against all losses, claims, expenses, causes of action, costs, demands, damages, expenses, judgment or liabilities, including, but not limited to, any such fees and expenses incurred in enforcing the Indemnity Agreement, resulting from, arising out of or in any way connected with the installation, maintenance, repair, operation, use, removal or reinstallation of the SES.

- 3.7. The SES Owner is financially responsible for any harm or damage to the Common Area, Exclusive Use Common Area, or other Manors. The SES Owner must maintain liability insurance coverage for any harm or damages to the SES or related to the SES. Before MOD issues final approval of the installation to allow operational use of the SES, the SES

Owner must provide MOD with the corresponding written certificate of liability insurance. The Mutual shall be named as an additional insured under the SES Owner's liability insurance.

- 3.8. The SES Owner who installs the system and each successive Owner must maintain a homeowner liability coverage policy with policy limits of at least \$1,000,000 until the permanent removal of the SES, providing MOD with a written copy of the annual renewal. The Mutual shall be named as an additional insured under the SES Owner's homeowner liability coverage policy.

4. SES INSTALLATION REQUIREMENTS

- 4.1 The visible ancillary components of the SES such as conduits and supports must be painted to match the exterior of adjacent structures,

unless such painting would void a manufacturer's warranty, result in an increase of more than \$1,000 for an SES, or reduce the efficiency of the SES by more than 10%.

- 4.2 All installations of the SES components must not materially harm or damage the Common Area, the Exclusive Use Common Area, or the Manor, nor void any warranties held by the Mutual or other Owners and/or impair the integrity of a building or structure.
- 4.3 All portions of an SES will be secured in a manner which does not jeopardize the safety or soundness of any structure or the safety of any person within the Mutual.
- 4.4 There will not be any exposed penetrations into the building structures, including, but not limited to, walls, ceilings, floors, and roofs, unless it is necessary for the installation and operation of the SES and/or to avoid an unreasonable increase in the cost of the installation of more than \$1,000, and/or an unreasonable decrease of more than 10% in the efficiency of the SES as originally specified and proposed in the Alteration Application.
 - (a) Any penetrations for wiring, piping, or anchoring of an SES into the building structures must be properly sealed and waterproofed in accordance with industry standards and building codes in order to prevent moisture penetration, resulting structural damage, or loss of warranty.
 - (b) For installations on Durolast surfaces, a Durolast certified roofing company must reseal the penetrations and the Durolast manufacturer must recertify the warranty. A new certificate of warranty must be provided to MOD prior to project completion.
- 4.5 The SES Owner is responsible for any damage to the building structures, building interiors, or personal property caused by such penetrations through the existing rooftop, even if the Mutual has primary maintenance responsibility for such elements, such as roofing, under the Mutual's governing documents.

5. SAFETY

Each SES must be installed and secured in compliance with manufacturer's specifications and/or instructions and all city, state and federal ordinances, regulations and laws.

- (a) Each SES must meet all applicable safety and performance standards established by the National Electrical Code, the Institute of Electrical and Electronic Engineers and accredited testing laboratories such as Underwriters Laboratories and, where applicable, rules of the Public Utilities Commission regarding safety and reliability.
- (b) An SES must not obstruct access to or from any Manor, carport, walkway, or ingress or egress into any area of the Mutual in order to ensure the safety of individuals and allow safe access to the Mutual's physical plant.

In approving the installation of any SES, the Board is entitled to rely upon the representation of the designated contractor that the SES fully complies with the safety criteria set forth in this policy or the Alteration Application. Should the Board later determine that the SES is not in conformance with this policy or the Alteration Application, the Board may require the SES Owner to remove or modify the SES to bring it into compliance and assume all associated costs.

6. MAINTENANCE

- 6.1. SES Owner is responsible for all associated costs including, but not limited to:
 - (a) Maintaining the SES in good condition and repair.
 - (b) Replacement, repair, maintenance, moving or removal of the SES and any of its components until the SES has been permanently removed.
 - (c) Repair or replacement of any property damaged by the installation, maintenance and/or use of the SES.
 - (d) Restoration of SES installation sites to their original condition after removal.
 - (e) Correction of any SES safety hazards.
 - (f) Painting or replacing visible SES components, such as conduits and supports when deterioration occurs.
 - (g) Any increased costs incurred by the Mutual for maintenance or repair caused by the presence of an SES on the Common Area or those portions of a Manor or Exclusive Use Common Area (for which the Association is responsible under the Mutual's governing documents).
 - (h) Temporary removal and reinstallation of an SES or any of its affected system components so that the Mutual may perform required maintenance, repairs, and replacement (under the Mutual's governing documents), to the adjacent Common Area, the adjacent carport, or portions of a Manor, along with all their associated costs after the required Mutual maintenance or repair

is completed. When the SES Owner does not respond to a request in a reasonable time:

- The Mutual may remove and reinstall the system or components and charge the responsible SES Owner for all the associated costs.
- As long as reasonable care is used to remove and reinstall the SES and any of its components, the Mutual will not be responsible for any damage caused to the SES.

(i) When an SES is moved or removed for any reason, the roof warranty must be recertified (refer to Section 1.0.D).

6.2. The Board of Directors must take into account the effect on SES's resulting from shade created by trees or shrubs within the boundaries of the Mutual. The Mutual will be guided by the principal of "first in time is first in right."

(a) If a tree or shrub was planted before the SES was installed, the tree or shrub may grow without regard to its effect on the SES. The Mutual will not be required to prune, or allow pruning, of trees and/or shrubs which were planted before the SES was installed.

(b) Trees or shrubs planted after installation of the SES may not be allowed to grow to cast a shadow greater than 10% of the collector absorption area of the SES at any one time between the hours of 10:00 a.m. and 2:00 p.m. local time (Public Resources Code Section 25982). Pruning needs will be dictated and determined by the Mutual's landscape or tree experts.

7. REMOVAL OF SOLAR ENERGY SYSTEM

7.1. The sale or removal of an SES must be approved by the Mutual and all costs relating to the sale or removal of the SES and restoration of the Common Area or the Exclusive Use Common Area shall be the sole responsibility of the SES Owner.

7.2. If the SES becomes inoperable, either by damage or termination of service, the SES must be removed within twenty (20) days after receiving written notice from the Mutual and any damage to the Common Area, the Exclusive Use Common Area, and/or the Manor repaired at the SES Owner's expense.

8. RESALE OR TRANSFER OF THE OWNER'S UNIT

- 8.1 Upon resale or transfer of any SES Owner's interest in his or her Manor which has a permitted SES, the buyer or transferee (as the case may be) must assume in writing all of the SES Owner's duties and responsibilities as outlined in this policy, including removal of the SES no longer in service. The new SES Owner's (or Transferee's) written assumption of duties and responsibilities must be executed by all of the parties before escrow can close and the transfer of the ownership can be legally completed.
- 8.2 If the buyer or transferee does not agree in writing to assume the SES Owner's duties and responsibilities as outlined in this policy:
- (a) The current SES Owner may either sell the SES to another Owner sharing the same roof, or
 - (b) Remove the SES and all its components and restore the areas where they were located or attached to its original condition by completing the following:
 - (i) Obtain a Mutual Alteration Permit and a Walnut Creek city permit.
 - (ii) Seal any penetration points with paintable sealant, then paint to match adjacent surfaces.
 - (iii) Patch all holes in interior Manors and all other exterior penetrations where solar panel appurtenances were installed.
 - (iv) If deemed necessary by the Mutual's Building Maintenance Manager, the SES Owner may be required to remove roofing and plywood in areas previously covered by the SES, and install a new roofing system matching the pre-existing roofing design.
 - (v) If an SES is removed from a Durolast surface, the Durolast manufacturer must recertify the warranty (refer to Section 1.0.D).

* * * * *

EXHIBIT A

**SOLAR ENERGY SYSTEMS MAINTENANCE AND INDEMNITY AGREEMENT
(First Walnut Creek Mutual)**

UNDERTAKEN BY:

Name(s): _____

Manor Address: _____
Walnut Creek, California 94595

Alteration Permit Number: _____

I/we, as the Owner(s) and as the Undersigned, of the above manor in First Walnut Creek Mutual ("Mutual") of Rossmoor, a California nonprofit mutual benefit corporation, and in consideration of the approval of my/our application to allow the installation of a Solar Energy System (SES) on the Common Area roof of the building located at the above Manor address or on the roof of the Exclusive Use Common Area carport appurtenant to the Manor, have read First Walnut Creek Mutual's Policies ("Policies") on Solar Energy Systems, understand the contents, and agree to all of the following:

1. The proposed Solar Energy System (SES) will be installed and maintained in full compliance with the Policies and the Alteration Permit that has been issued by the Mutual for this installation and agree to comply with all the terms and conditions set forth in the Policies and the Alteration Permit.
2. I/We indemnify, defend and hold harmless the Mutual, Golden Rain Foundation of Walnut Creek, and their respective officers, directors, employees, agents, members, and their respective successors, and assigns (hereinafter "Indemnitees"), from and against all losses, claims, expenses, causes of action, costs, demands, damages, expenses, judgment or liabilities, including, but not limited to, any such fees and expenses incurred in enforcing this Indemnity Agreement, resulting from, arising out of or in any way connected with the installation, maintenance, repair, operation, use, removal or reinstallation of the Solar Energy System (SES) described in our/my above Alteration Permit. I/We further agrees to indemnify, defend and hold harmless the Indemnitees for any economic damage they suffer, including the voiding of any roof warranty, resulting from, arising out of or in any way connected with the installation, maintenance, repair, operation, use, removal or reinstallation of the Solar Energy System (SES) described in our/my above Alteration Permit.
3. The planned Solar Energy System (SES) under the above Alteration Permit will be installed on the Common Area roof of the building located at the above manor address or the Exclusive Use Common area carport appurtenant to the Manor in a manner and

location approved by the Mutual. The roof is defined under the Second Amended and Restated Bylaws of the First Walnut Creek Mutual ("Bylaws") to be part of the Mutual's Common Area. The carport is defined under the Bylaws to be part of the Mutual's Exclusive Use Common Area.

4. Should the Undersigned sell the Manor, the transferee shall accept in writing the obligations under this Indemnity Agreement or the Undersigned agrees to remove the installation at its own cost and restore the Common Area roof or the Exclusive Use Common Area carport roof to its original condition and in compliance with the Policies before close of Escrow.
5. Should the Undersigned fail to meet any obligations to indemnify, defend, and/or hold harmless the Indemnitees in accordance with this Indemnity Agreement, then all Indemnitees shall have full right to defend, pay or settle said claim on their own behalf with or without notice to the Undersigned for all fees, costs and payments made or agreed to be paid to discharge said claim.
6. In the event of enforcement of said maintenance and indemnification obligations as set forth herein, the Undersigned agrees to pay all reasonable attorneys' fees necessary to enforce said maintenance and indemnification obligations.

THIS AGREEMENT SHALL BE UNLIMITED AS TO AMOUNT OR DURATION, and shall be binding upon and inure to the benefit of the parties, their respective successors, assigns, personal agents and representatives.

SIGNED BELOW BY ALL OWNERS of the Manor making application for the installation of a solar energy system, on Day _____ Month _____ Year 20 _____.

Name of Owner (Print): _____

Signature of Owner: _____

Name of Owner (Print): _____

Signature of Owner: _____