



Fourth Walnut Creek Mutual Policies

If these documents contain any restriction based on race, color, religion, sex, sex orientation, familial status, marital status, disability, national origin, source of income as defined in subdivision (p) of Section 12955 or ancestry, 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.

Adopted November 22, 2002

DEFINITIONS

Alteration: Any change made by an owner to a component in the common area or exclusive use common area. Alterations must be approved by the Architectural Control Committee and the Fourth Walnut Creek Mutual Board of Directors.

Architectural Control Committee (ACC): The Mutual's ACC is appointed by the Golden Rain Foundation (GRF). The ACC reviews proposed alterations to ensure they conform to Mutual standards.

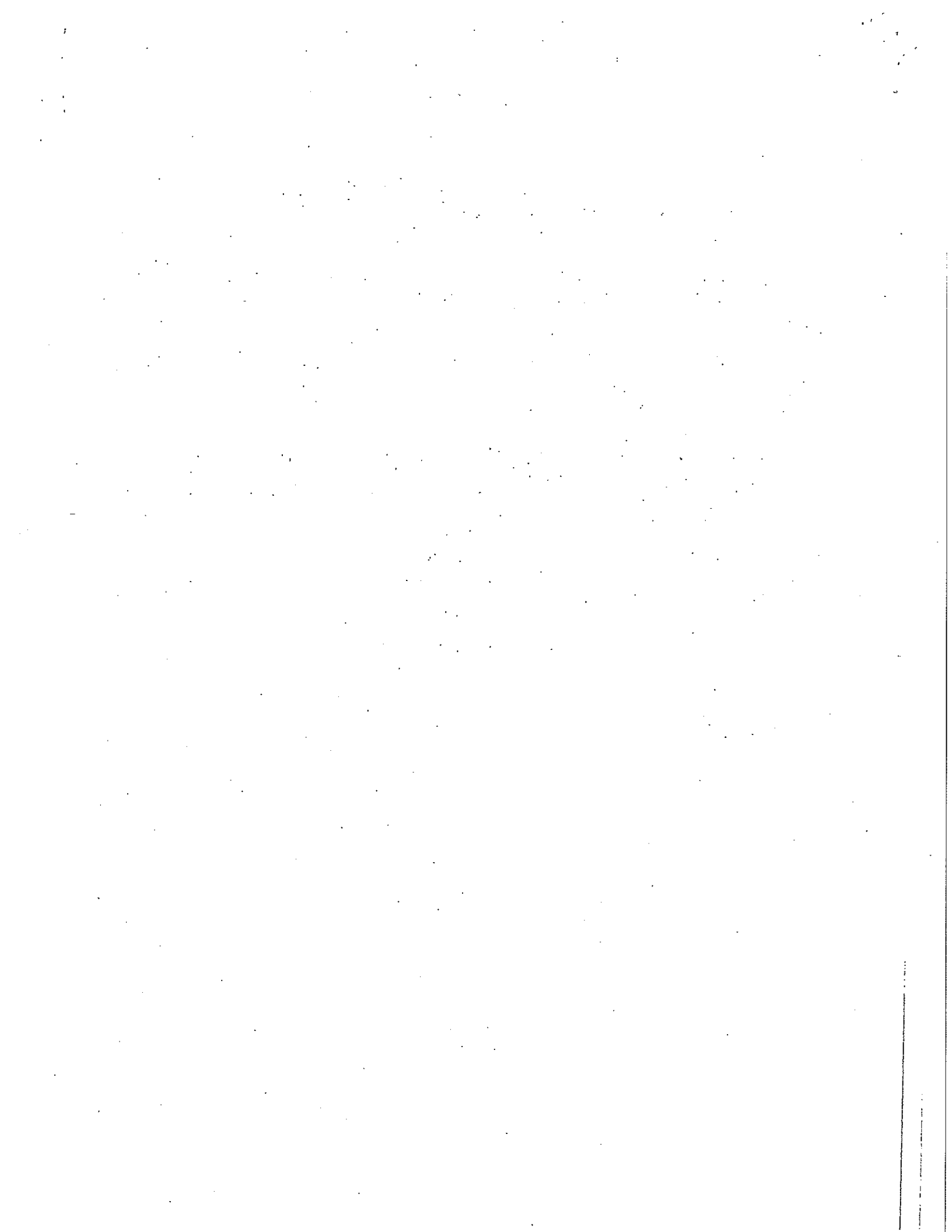
Common Area: The entire Common Interest Development (CID), except for the separate interests [California Civil Code §1351]. Each unit owner has an interest in the common area as tenants in common.

Declaration of Covenants, Conditions and Restrictions (CC&Rs): Creates a Common Interest Development (CID), which couples a separate interest with an interest in the common area. The Declaration, a condominium plan and a parcel map are recorded with Contra Costa County.

Exclusive Use Common Area: A portion of the common area designated for the exclusive use of one or more, but fewer than all, of the owners and that is appurtenant to the unit(s), e.g., decks, balconies, patios, garages, carports, exterior doors, etc.

Governing Documents: The CC&Rs and any other documents, such as Bylaws, Articles of Incorporation, and this Statement of Policies, which govern the operation of the Mutual.

Separate Interest: An individual unit, which is from the interior surface of the perimeter walls, floors, ceilings, windows and doors.

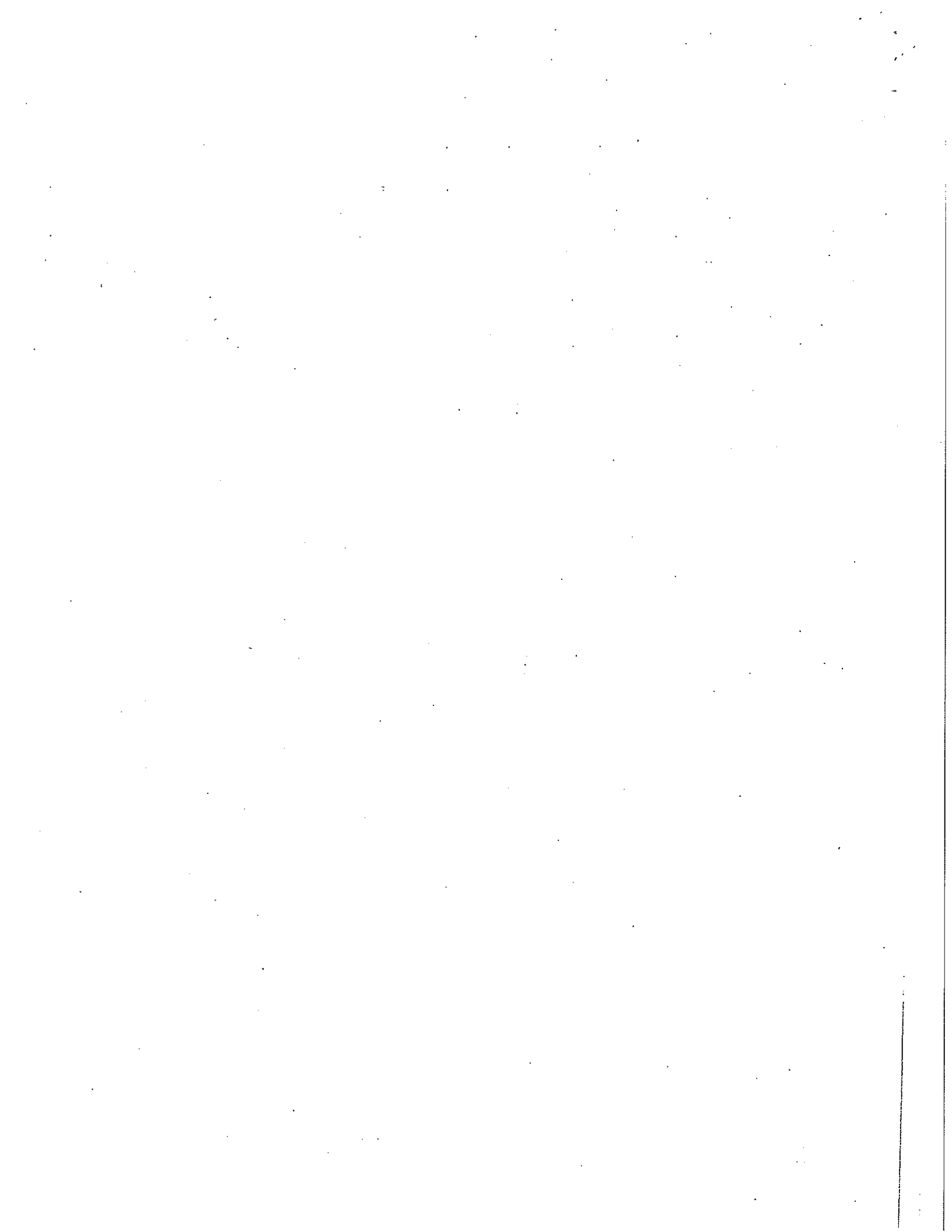


PREFACE

These policies are furnished to owners, residents and lessees to provide a description of the rules and regulations established by Fourth Walnut Creek Mutual.

Policies may be changed by the Mutual Board of Directors (Board) when they deem it appropriate.

These policies are not all-inclusive, and if they conflict with the Article of Incorporation, Bylaws and/or Declaration of Covenants, Conditions and Restrictions (CC&Rs), or any current laws or legislation, the latter take precedence.



FOURTH WALNUT CREEK MUTUAL

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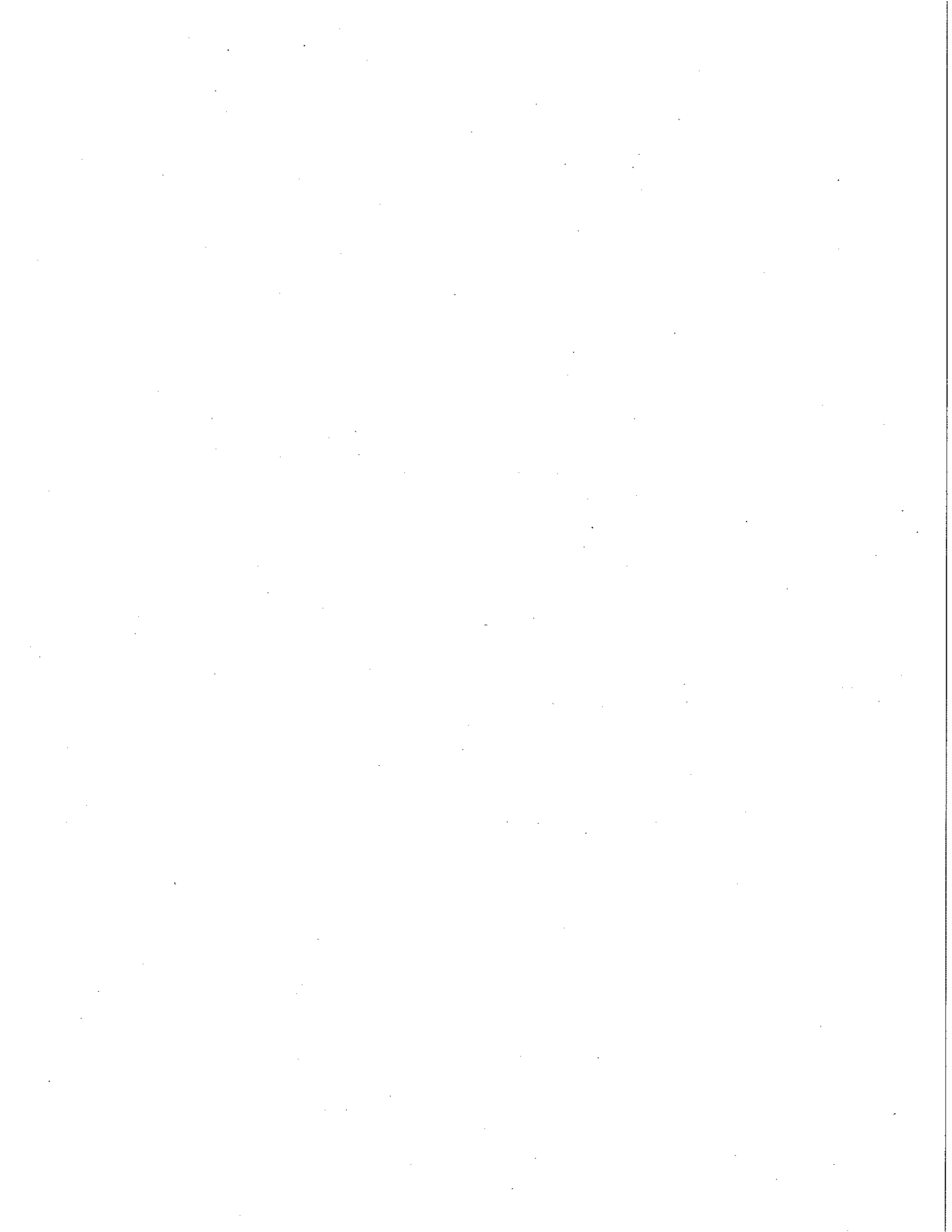
16.0 HARASSMENT

APPENDIX A: MAINTENANCE AND REPAIR GUIDELINES

APPENDIX B: CHARGES FOR MAINTENANCE AND REPAIR WORK

Adopted November 22, 2002

Revised January 20, 2003; July 21, 2003; May 17, 2004; October 18, 2004; November 15, 2004;
June 20, 2005; September 19, 2005; February 21, 2006; July 24, 2006; March 19, 2007;
July 16, 2007; April 21, 2008; September 15, 2008; March 15, 2010



1.0 ALTERATIONS

ALTERATIONS TO MUTUAL COMMON AREAS OR THE EXTERIOR OF A MANOR AND OTHER STRUCTURAL CHANGES

Without submitting an alteration application and getting the approval of the ACC and Fourth Walnut Creek Mutual Board, no owner may make any alteration to:

- The common area or a common area component; or to
- Exclusive use common area or an exclusive use common area component, if it is maintained by the Mutual.

All costs for owner alterations are the owner's responsibility, including any repair or reconstruction costs to the unit and common or exclusive use common area that arise because of the alteration.

Owners are responsible for the differential maintenance costs to the Mutual resulting from the alteration and for the repair and replacement costs of the alteration itself.

If the alteration interferes with the Mutual's ability to maintain Mutual property, the owner may be responsible for all maintenance, repair and replacement of the affected Mutual property, without any offset for the "standard" maintenance that will no longer be performed by the Mutual for that unit.

ALTERATIONS THAT HAVE NOT BEEN APPROVED:

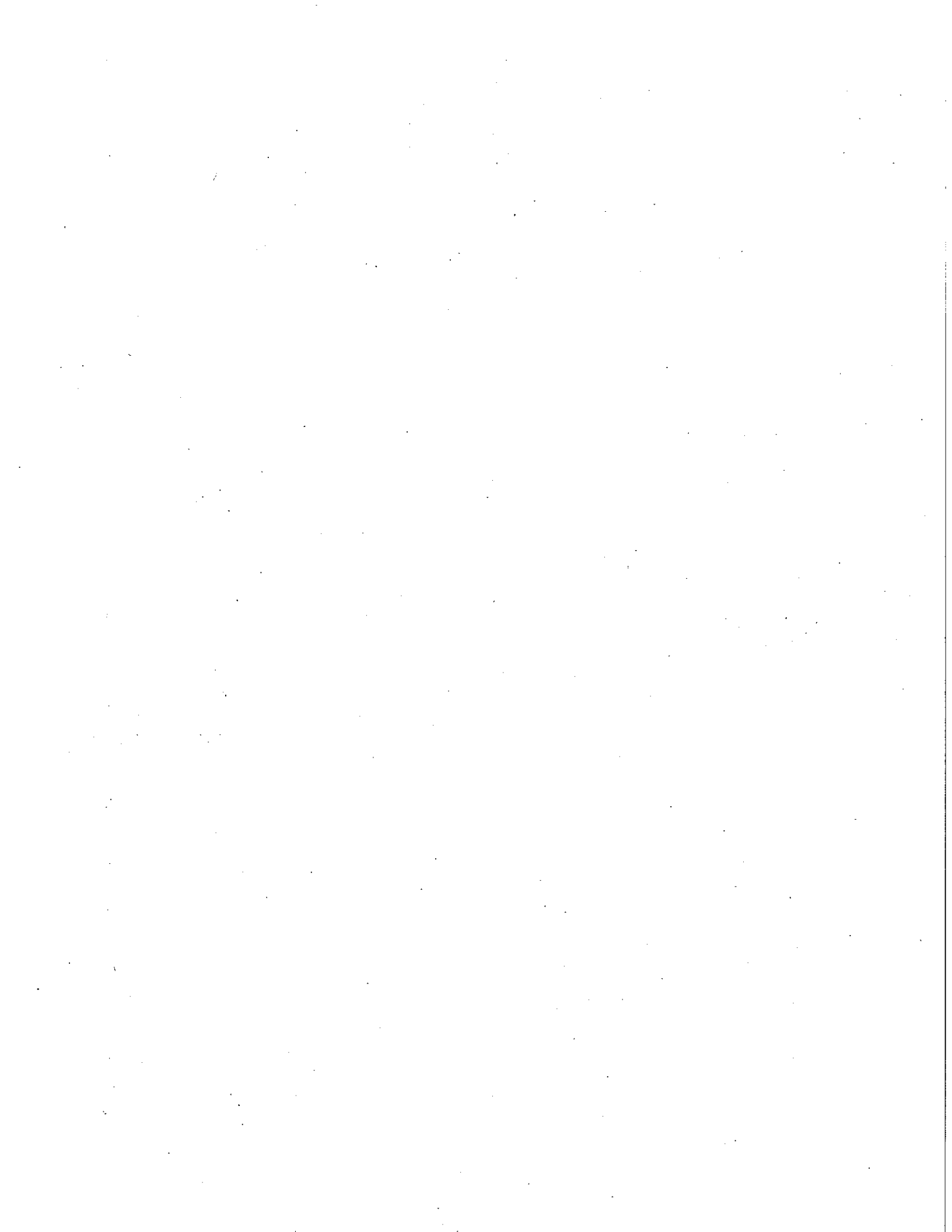
If an alteration is discovered that has not been approved, the owner has the option of:

- Removing the alteration and returning the area to its original configuration to the Mutual's satisfaction, including any upgrades necessary to meet the City of Walnut Creek's building code. The owner is responsible for all costs associated with the removal and restoration.
- Submitting an alteration application to the Board for approval (see Alteration Approval Procedure next). The owner is responsible for all costs associated with getting the alteration approved.

The Board will establish a reasonable time limit for the owner to complete this effort.

If the owner does not comply, the Board will hold a hearing and may, at its discretion, employ a contractor to complete one or the other of the foregoing options at the owner's expense.

The Board may also impose a fine on any owner who undertakes an alteration without first obtaining an approved alteration application. (See Policy 5.5)



1.0 ALTERATIONS

ALTERATIONS INSIDE A UNIT:

Generally cosmetic alterations to the interior of a unit (i.e., carpet, paint, wallpaper, toilets and other fixtures) do not require the Board's or the Mutual ACC's approval. Residents are advised to check with MOD as to whether or not an alteration is cosmetic only. Interior alterations that affect the structural integrity or safety of the building, such as plumbing alterations or hard-wired appliances (including water heaters, air conditioning units or heat pumps), require the approval of the Fourth Walnut Creek Mutual Board. Even if such changes do not require Board approval, they may require a City of Walnut Creek permit. It would be prudent for owners to consult with Fourth Walnut Creek Mutual Board before proceeding with any interior changes. The Mutual is not responsible for maintenance, replacement or repair of interior alterations.

ALTERATION APPROVAL PROCEDURE:

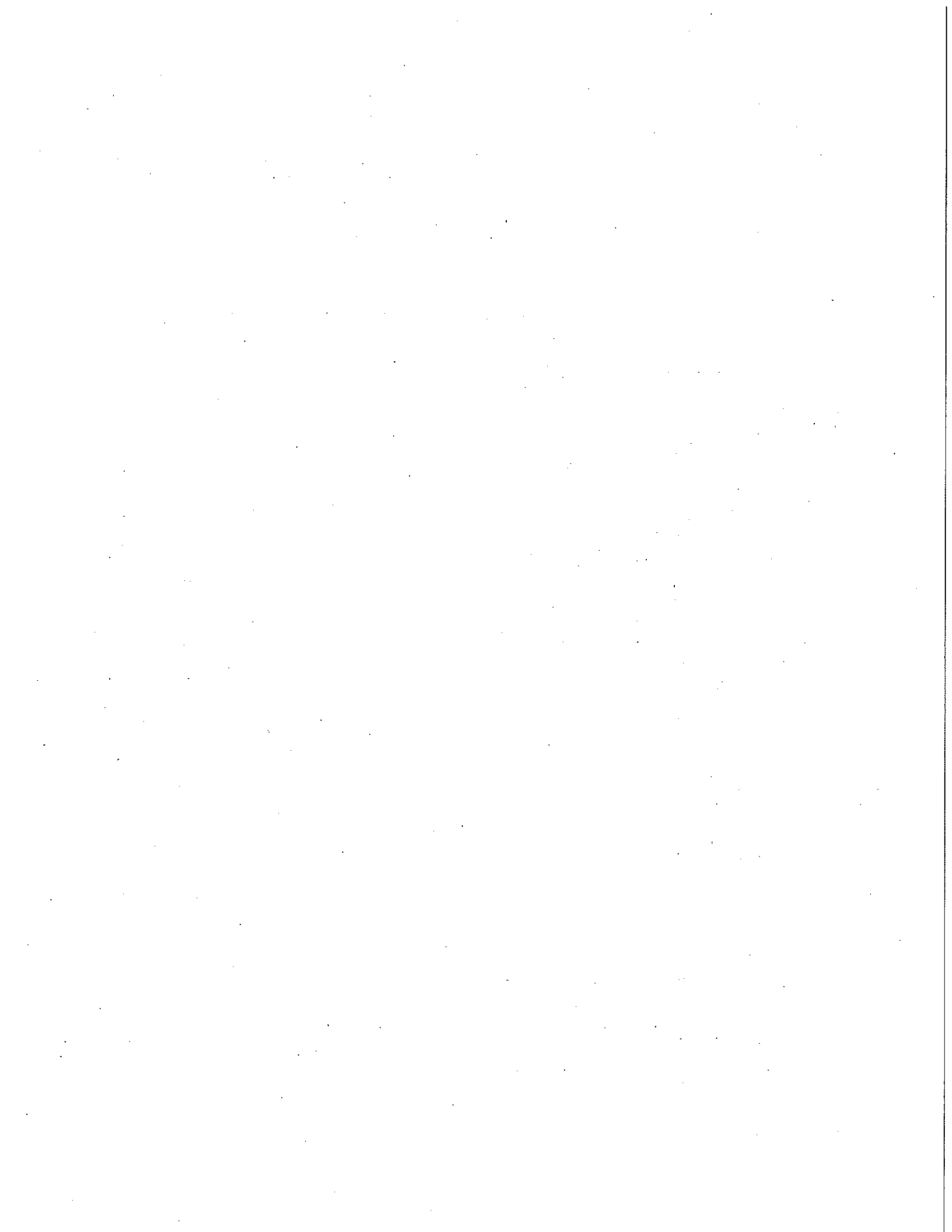
1. Discuss plans with Fourth Walnut Creek Mutual Board.
2. Obtain an Alteration Agreement from the Mutual's Property Manager (P.M), GRF's Mutual Operations Division (MOD)
3. Submit plans and specifications to the P/M and execute the Alteration Agreement, which will be sent to the ACC and Fourth Walnut Creek Mutual Board for approval. The owner must pay the appropriate fee when the application is approved by the Board.
4. If the alteration requires a building permit from the City of Walnut Creek Building Department, the owner is responsible for obtaining the permit and paying any fees to the city.

1.1 ANTENNAS AND SATELLITE DISHES

This document sets forth the Fourth Walnut Creek Mutual policies for installation and maintenance of satellite dishes and antennas with Fourth Walnut Creek Mutual, pursuant to Section 207 of the Federal Telecommunications Act of 1996 and the Declaration of Covenants, Conditions and Restrictions of Fourth Walnut Creek Mutual, as amended from time to time.

1.1.1 ANTENNA TYPE AND SIZE

For the purposes of these Guidelines, 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.



1.0 ALTERATIONS

These Guidelines apply to DBS, MDS and MMDS antennas designed primarily for video reception and fixed wireless devices that are one (1) 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.

1.1.2 NOTIFICATION

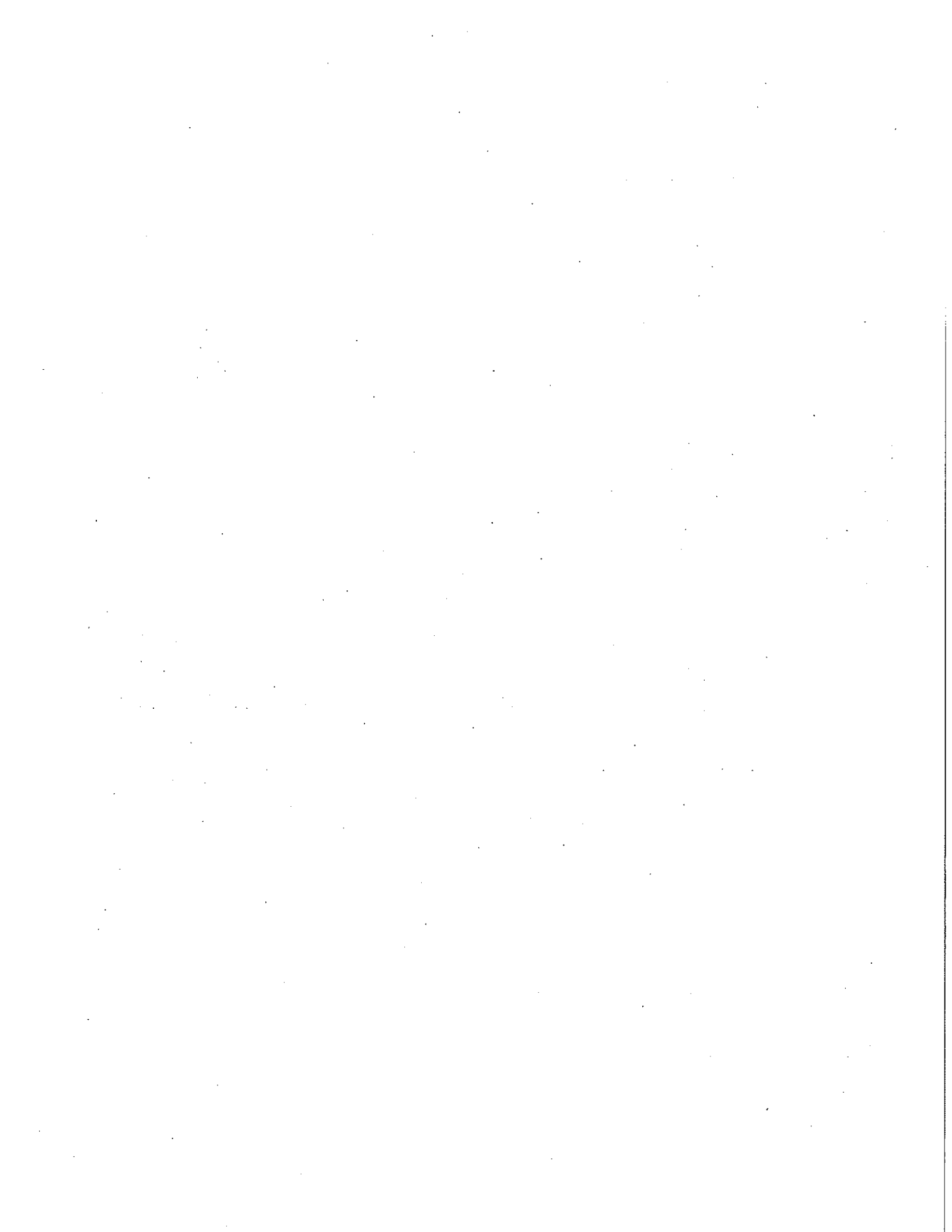
Fourteen (14) days in advance of the proposed antenna installation date, owners are asked to notify the Mutual of their intent to install an antenna. Owners are encouraged to work with the Mutual to determine the most suitable location for the antenna pursuant to these Guidelines.

1.1.3 INSTALLATION

Antennas may only be installed 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, 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 upwards, downwards 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).

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.

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.



1.0 ALTERATIONS

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.

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.

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.

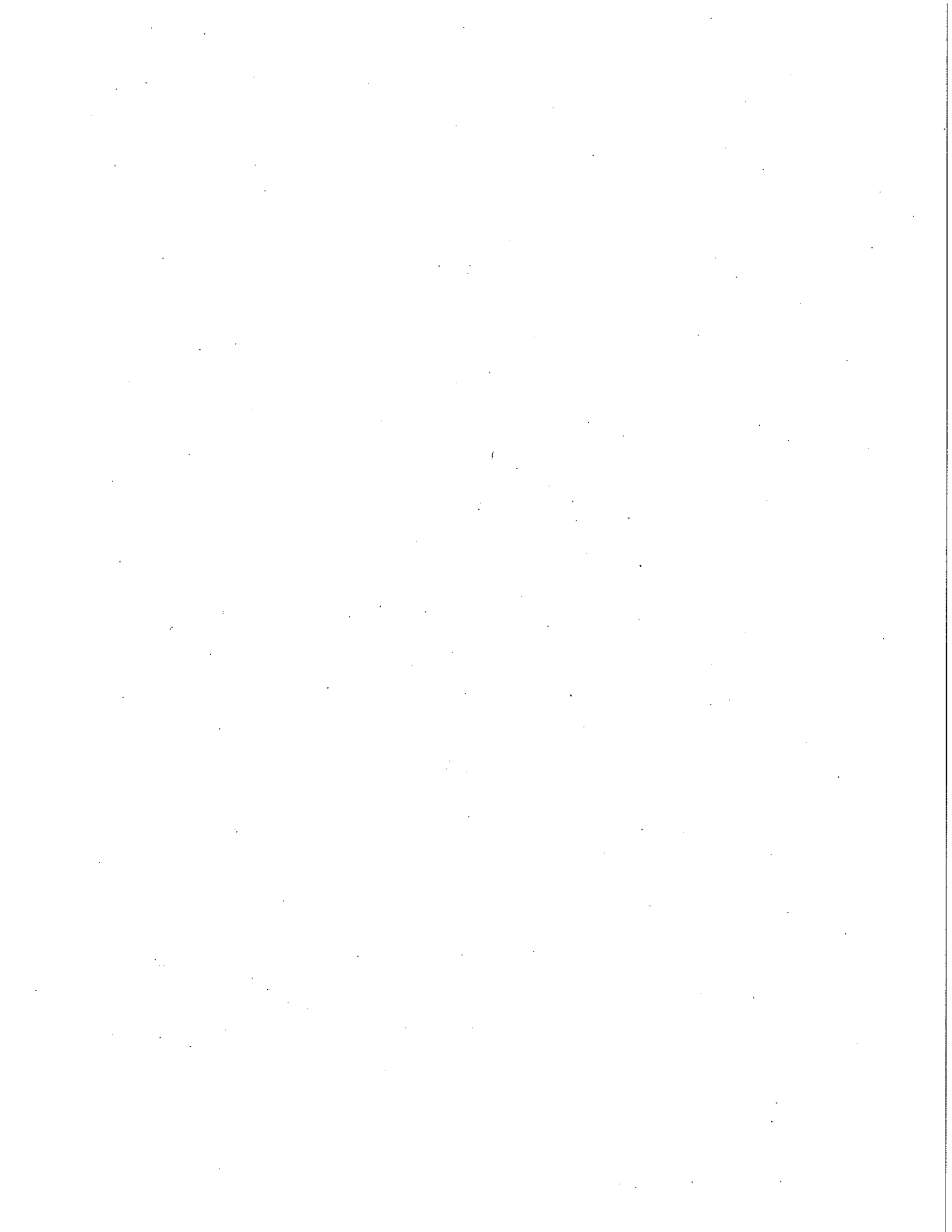
1.1.4 INSPECTION

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.

1.1.5 MAINTENANCE, REPAIR AND REMOVAL

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.

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 (72) 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.



1.0 ALTERATIONS

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.

1.2 EXTERIOR WINDOW COVERINGS AND AWNINGS

Exterior window coverings and awnings installed on any manor shall comply with any rules adopted by the Board and/or the Architectural Control Committee.

1.3 INSPECTIONS

Fourth Walnut Creek Mutual provides for inspections of the exterior and structural components of all buildings at least once every three years, as a basis for meeting the reserve study requirements of the Civil Code. Qualified independent inspectors or architects who report directly to the Board make these inspections. The Board will rely on their judgment as to the timing, priority, and scope of work to repair, replace, restore, or maintain the major components for which the Mutual is responsible.

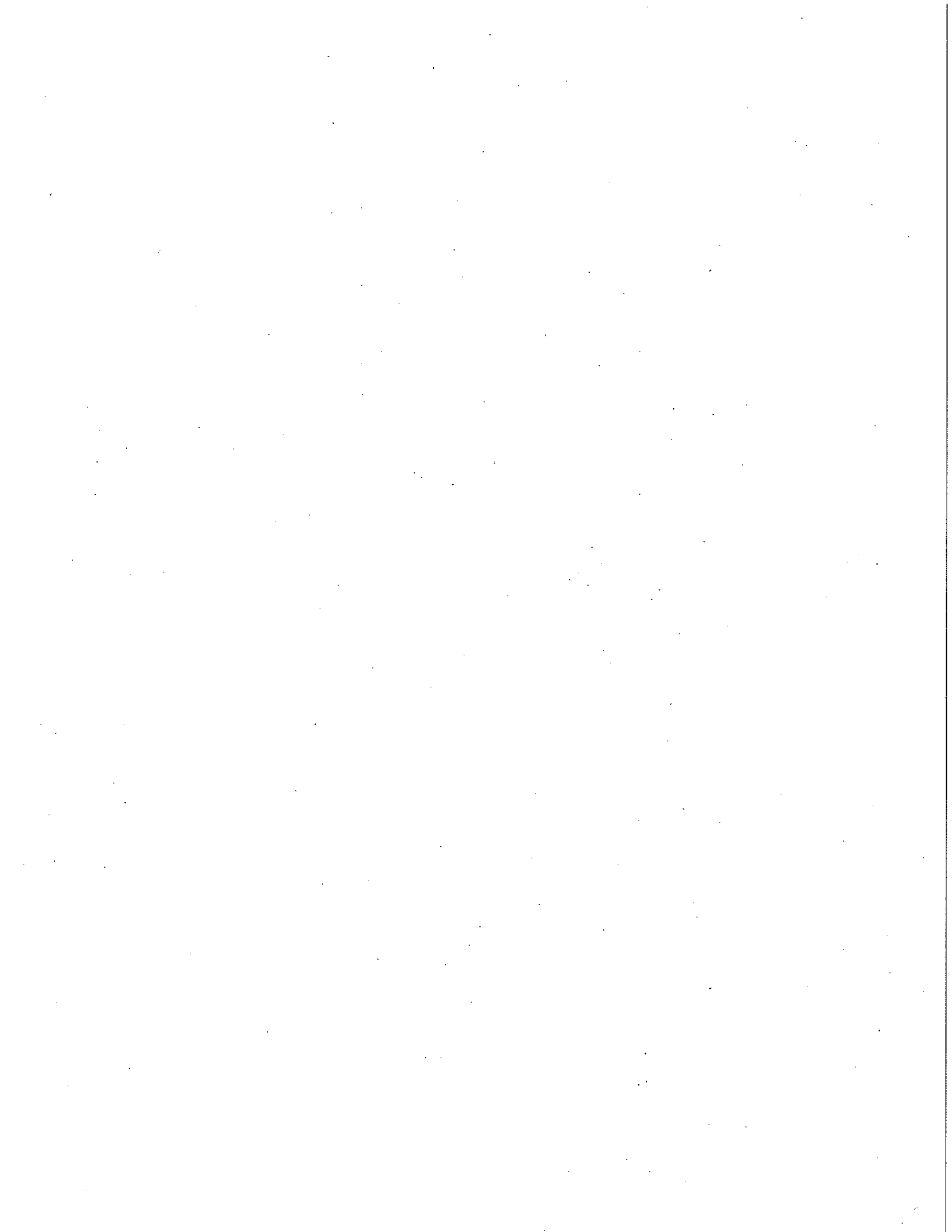
Fourth Walnut Creek Mutual does not conduct periodic interior inspections.

1.4 MAILBOXES

Mailboxes shall comply with all applicable postal regulations, and Architectural Committee Rules, if any.

1.5 OUTBUILDINGS

No outbuilding, tent, shack, trailer, shed, or temporary building of any kind shall be located within the Mutual except as approved by the Board and/or the Architectural Control Committee. In no event shall any such structure be used as a residence, either temporarily or permanently.



1.0 ALTERATIONS

1.6 ARCHITECTURAL CONTROL COMMITTEE

At its Organizational Meeting following the Annual Meeting, the President shall appoint one director who, with the President, shall comprise the Mutual's Architectural Control Committee (ACC).

The ACC will meet as necessary in order to review submitted Alteration Applications and either approve or deny such applications.

The ACC will report at each regular meeting of the Board of Directors as to its activities.

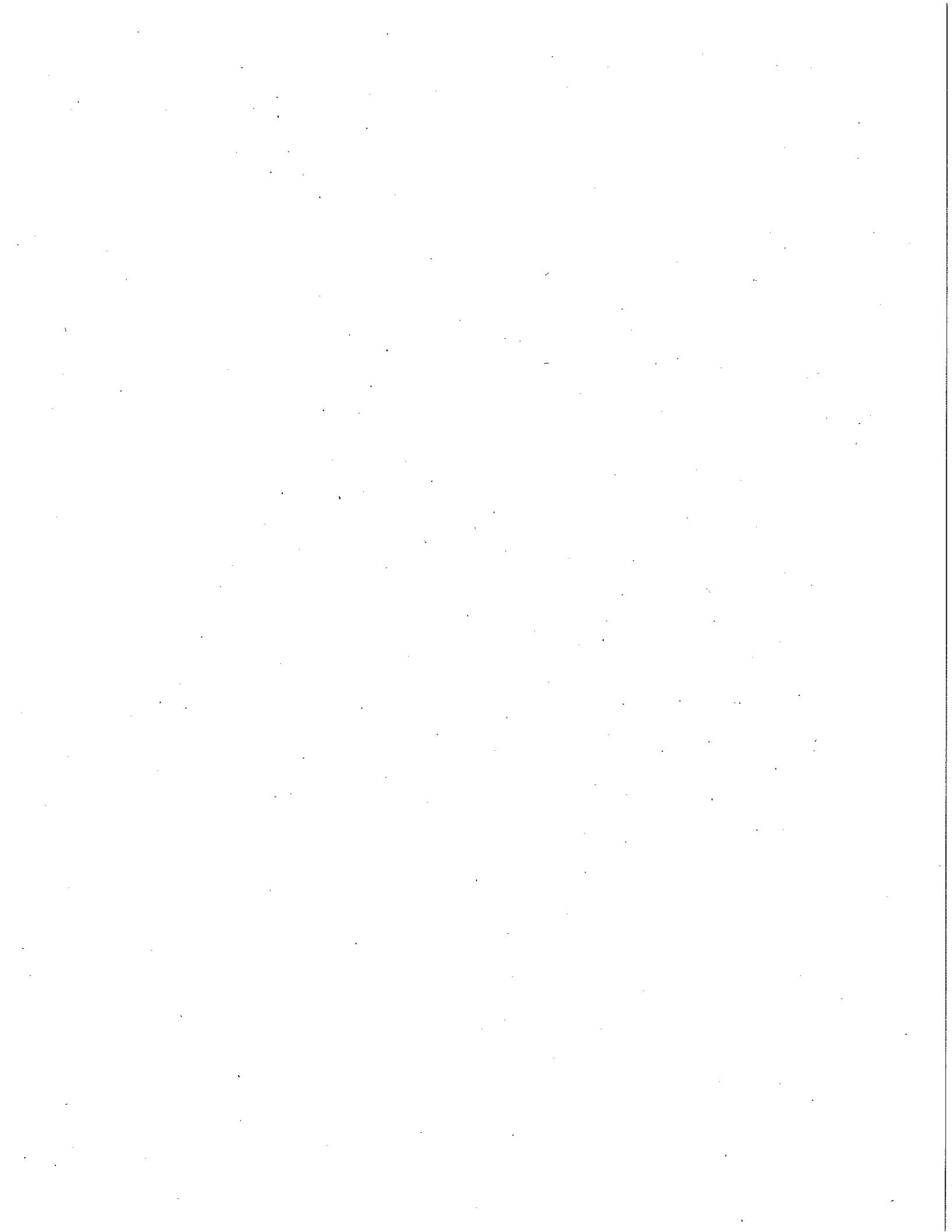
If the ACC denies an Alteration Application, then the applicant will be notified of their right to appeal the denial to the Board of Directors at their next regular meeting.

1.7 MUTUAL RESPONSIBILITY FOR COSMETIC ALTERATIONS

Residents who undertake cosmetic alterations to their manor must be aware that in the event that the Mutual damages these cosmetic alterations while undertaking repairs to their manor, the Mutual's only responsibility shall be to replace the affected cosmetic alteration with similar or equal original materials.

1.8 FLOOR COVERINGS

As presented in the CC&Rs of the Mutual, second floor units may have linoleum and ceramic tile in bathroom and kitchen areas only. A small hard surface area may also be allowed just inside the entrance to the unit by the front door. All other floors of a second floor unit must be covered with carpet or equivalent material in order to reduce sound transmission.



2.0 COMMERCIAL ACTIVITIES AND CONSTRUCTION

2.1 COMMERCIAL ACTIVITIES

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 clients in the home.

It is the owner's responsibility to ensure that any commercial activities company complies with applicable zoning laws or governmental regulations and, if required, proper permits, licenses or other governmental authorization is obtained.

2.2 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, not in the Mutual trash containers.

2.3 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 connections with approved construction.

2.4 WORK SITE RULES

The following rules apply to residents, 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.

1. Normal work hours are from 8:00 a.m. to 5:00 p.m., Monday through Friday, excluding holidays; operating noisy equipment or doing other work that disturbs neighbors outside these hours is not permitted.
2. Building utilities may not be interrupted without permission from a Mutual Director.
3. Walkways and stairways must be kept clear.

2.0 COMMERCIAL ACTIVITIES AND CONSTRUCTION

4. All job debris must be removed daily and the common area swept clean; do not discard any waste in the Mutual's trash containers.
5. Park vehicles in marked parking areas; do not block garage doors or carports.
6. Protect landscaping and paint finishes from all work activities; report any damage to a Mutual Director.
7. Do not operate radios, etc., so they can be heard outside a manor.
8. Contractor License (Pocket Copy okay) and Liability Insurance policy copy (current) must be filed with MOD for every job.
9. Vehicles (insured) will never be parked in a fire lane (red curb area), may be parked in entry guest parking space only by written permission of MOD, will never be left in Rossmoor overnight and must never block access to a carport, laundry and/or dumpster room.
10. Noise/jarring to/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 information is good for one day only. For a new occurrence, repeat the procedure. Any damage liability is strictly the contractor's.
11. 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.

3.0 COMMITTEES

3.1 STANDING COMMITTEES

The following are the Mutual's Standing Committees:

- Building Maintenance
- Finance
- Landscape

Within one month after the annual meeting, the President will appoint, and the Board will approve, chairpersons of the Standing Committees to one-year terms. The committee chairpersons will recommend, and the Board will approve, additional candidates to serve on their committees, as required.

3.2 NOMINATING COMMITTEE

The President, with the approval of the Board, will appoint annually a Nominating Committee that will propose a candidate(s) for each vacancy on the Board of Directors that will be voted on at the Annual Meeting.

4.0 EMERGENCIES

Help is available for residents in health and property emergencies. (Residents should take the initiative for reporting non-emergency problems such as outdoor lights burned out or broken sprinkler heads, any time but preferably on weekdays from 8:00 a.m. to 5:00 p.m. See the Rossmoor phone directory for the telephone numbers.)

Residents should be aware that payments may be required for certain kinds of emergency help.

4.1 HEALTH EMERGENCIES

Call 911 for a prompt response from the police or fire department in health emergencies. The police or fire department will call for an ambulance and bring paramedics when needed. In addition, Public Safety monitors radio broadcasts arising out of the 911 telephone call and may also respond.

4.2 PROPERTY EMERGENCIES

Call 911 for a prompt response from the fire department in case of fire. Call the emergency telephone numbers listed in the Rossmoor telephone directory for help with other property emergencies; for example, a power failure, broken water pipe, inoperative elevator, or potentially hazardous conditions. If the emergency number is not responsive for any reason, call Public Safety (telephone number listed in the Rossmoor telephone directory) to report the emergency.

5.0 FINANCIAL ACTIVITIES

First offense	Warning Notice (either by Mutual or Public Safety)	
Second offense (same violation within 3 months)		\$ 25
Third offense (same violation within 3 months)		\$ 50
Subsequent offenses (same violation within 3 months)		\$100

Other Violations of Mutual Policies, Bylaws, CC&Rs

After notice and time frame expires	\$ 50
Same violation within 3 months	\$100

Unauthorized Occupancy (no Board-approved lease agreement)

From date that Board becomes aware of violation \$50/day until corrected
(See also Policy 1.0 and Policy 13.0)

5.5 UNAUTHORIZED ALTERATIONS

At any time that the Board of Directors of the Fourth Walnut Creek Mutual becomes aware of alterations to a manor that have been undertaken without an approved Alteration Application Permit, the Board may fine the owner of that manor an amount up to but not to exceed three (3) times the current amount of the required Alteration Application Permit. Additionally, the Board may require the owner of the manor to restore the manor to its original condition as part of the Alteration Application approval process.

5.0 FINANCIAL ACTIVITIES

- The responsible member will be notified of the time allowed to correct the violation.
- If the responsible member does not correct the violation within the time allowed, then a letter stating the Board's intent to impose a fine, including the amount of the fine, will be sent to the member. This letter will include notice that the member may appeal this fine before it is imposed by appearing in person or by sending a written appeal to the Board of Directors. Generally this appeal would take place at the next regularly scheduled meeting of the Board of Directors of the Mutual.
- Failure of the responsible member to appear before the Board without reasonable excuse shall not deprive the Board of being able to act on the violation. If the responsible member does not appeal the proposed fine, either in person or in writing, then the Board may decide to either reverse, reduce, or impose the fine.
- The responsible member will be notified of the Board's decision by certified mail within 15 days of the Board's taking action.

Any fines imposed by the Board will be due and payable on the 1st of the month or 30 days after assessment whichever period of time is longer. Payment for a fine which is 30 days overdue will be assessed a late charge of \$10 per month until paid. This amount will be separate and in addition to any late charges for unpaid assessments which may be on record.

When any fine is more than three (3) months past due the Mutual will seek legal action. This may include Alternative Dispute Resolution or Small Claims Court. All court fees will be charged to the responsible member.

If a judgement is awarded through Small Claims Court, the Mutual may refer the matter to a collection agency. Any collection fees will be charged to the responsible member.

FINES

Parking Violation Fines

Members who violate the Mutual's parking rules will be subject to the following fine(s):

5.0 FINANCIAL ACTIVITIES

sign the check transferring money from the Reserve Fund to the Operating Fund, after the reserve expenditure has been approved by the Board.

5.2.5 FINANCIAL REPORT

The Mutual contracts with a CPA to conduct an annual audit of the Mutual's financial records and submit an audited financial report to the Board. A copy of the annual, audited financial report is sent to each owner.

5.3 INVESTMENTS

To comply with California Civil Code §1365.5, separate bank/investment accounts will be maintained for operating and reserve funds.

All Mutual funds will be deposited in accounts insured by the Federal Deposit Insurance Corporation (FDIC). Excess operating or reserve funds may be invested only in instruments backed by the full faith and obligation of the United States Government: U.S. Treasury Bills (investments of less than one year); or U.S. Treasury Notes (investments more than one year). Investments will not be made in U.S. Government securities that mature more than three years from the purchase date.

Proceeds from reserve investments that mature or are liquidated will be deposited into the reserve fund. The redesignation of funds or funds transferred to purchase new investments do not require two signatures.

The Mutual delegates authority to the Assistant Treasurer to make investments based upon the timing of forecasted cash expenditure needs and in accordance with the above-state guidelines.

5.4 SCHEDULE OF FINES

The following fines may be imposed on any member found in violation of the Mutual's Policies, Bylaws or CC&Rs except those specified elsewhere in these policies. It is every member's responsibility to make themselves aware of the Mutual's policies as well as the fines shown below.

When any violation is observed or reported and then confirmed, the following procedure will be followed:

- The responsible member will be notified. Notification can be through any of the following: personal contact, phone call, or a letter of warning.

5.0 FINANCIAL ACTIVITIES

by a Board member. Items approved between Board meetings will be brought to the attention of the Board at the next meeting.

In the absence of a Board member, the Director of Mutual Operations is authorized to expend Fourth Walnut Creek Mutual funds in the event of an emergency.

5.2.2 SOCIAL FUND ACCOUNT

In order to accept and disburse money for Fourth Walnut Creek Mutual social activities, the Treasurer is authorized to open and maintain a Social Fund account with a local financial institution in accordance with its signature card and account agreement. Any other Director of the Mutual will be the alternate signature authority for the Social Fund account.

5.2.3 OPERATING FUND

In order to accept and disburse money for Fourth Walnut Creek Mutual operating activities, the Mutual will open an Operating Fund account with a local financial institution in accordance with its signature card and account agreement. The Assistant Treasurer (via facsimile signature) will be the signature authority on this account. All monthly assessment payments and other receipts will be deposited into this account and all checks written by the Mutual to pay the Mutual's bills to third parties will be made from this "consolidation" account.

5.2.4 REPLACEMENT RESERVE FUND

The Board approves a monthly assessment to establish a Replacement Reserve Fund (Reserve Fund), based upon a reserve study prepared in accordance with the requirements of California Civil Code §1365.5.

The Reserve Fund is used to rehabilitate and replace major components, which are defined in the Reserve Study, and to meet emergencies.

To the extent possible, it is the Mutual's policy to maintain a balance in the Reserve Fund that will permit it to meet anticipated funding needs without having to levy special assessments. Interest earned on Reserve Fund investments will be deposited in the Reserve Fund.

The Board must approve expenditures from the Reserve Fund. Checks written on the reserve account require two authorized signatures, at least one of which must be by a member of the Board. Any director may co-

5.0 FINANCIAL ACTIVITIES

Recorder as a lien against the property. In accordance with California Civil Code §1367, this lien may be enforced in any manner permitted by law, including the sale of the unit by the court.

The Mutual accepts no responsibility for notices not received by the owner. Notices will be sent as required by law under foreclosure proceedings. It is the owner's responsibility to be aware of and understand these procedures and to pay all assessments when due.

Owners and former owners are personally liable for delinquent assessments that accrue during their ownership. The Board may proceed against these individuals in any way available under the law to collect any and all delinquent amounts.

5.1.2 DISPUTES INVOLVING COLLECTION OF ASSESSMENTS

Per Civil Code §1366.3, if an owner disputes an assessment, fee and/or cost, the owner may protest and seek resolution via the Alternative Dispute Resolution (ADR) procedure in Civil Code §1354.

Before the Mutual may be served with a request for ADR, the owner has to pay the Mutual, "under protest", the following costs that may have accrued:

- The full amount of the assessment
- Any late charges
- Collection costs
- Attorneys fees for preparation and recordation of a lien

5.2 FINANCIAL ACTIVITIES

5.2.1 AUTHORIZATION FOR EXPENDITURE OF FUNDS

The Board's approval of an annual operating budget includes authorization for the Property Manager (P/M) to commit Fourth Walnut Creek Mutual funds for budgeted activities, except as noted:

1. Contracts and orders over \$5,000 must be submitted to the Board for approval. P/M will use competitive bidding when prudent business dictates and when awarding contracts or orders for amounts estimated to exceed \$5,000.
2. Unless specifically exempted in writing to the P/M, non-emergency, mutual-billable building maintenance activities must be pre-approved

5.0 FINANCIAL ACTIVITIES

5.1 DELINQUENCIES

5.1.1 DELINQUENT ASSESSMENTS

Assessments are due on the first day of each month. Payments may be made by mailing the payment in the envelope provided with the monthly coupon, or putting it in the drop box at the Administration Office in the Gateway Complex, or by bank direct deposit. The Mutual only mails statements to accounts that are delinquent; statements are not mailed to accounts that are current or have a credit balance.

All regular and special assessments that have not been processed and posted to accounts by 5:00 p.m. on the 15th day of the month (the next working day, if the 15th falls on a Saturday, Sunday, or holiday) are delinquent and will incur the following late charges:

Payment not received by due date	\$15
Payment two months in arrears	\$30
Payment three or more months in arrears	\$45

All payments received are first applied to the principal owing, to the oldest outstanding item first, then the remaining amount is applied to late fees, interest at ten percent (10%) per annum, and any other charges that have been levied each month, as applicable. This will be done until the account balance is paid in full.

It is the Mutual's policy not to waive late fees, interest or other charges. It is the owner's responsibility to allow sufficient time to drop off or mail the monthly assessment, have it processed and posted to accounts by the 15th day of the month.

Accounts over 90 days past due are considered in default. Per Civil Code §1367, the Mutual will notify the owner, in writing, via certified mail and regular mail, of the Mutual's:

1. Fee and penalty procedures;
2. Collection policy; and will provide
3. An itemized statement of the charges owed by the owner, including the method used to calculate the charges that have to be paid to bring the account current.

If payment is not received within the stated 10 days, a "Notice of Delinquent Assessment" may be recorded with the Contra Costa County

6.0 INSURANCE

Fourth Walnut Creek Mutual contracts with other mutuals to participate in a deductible-allocation agreement on a blanket property insurance policy, excluding the deductible related to earthquake damage. Fourth Walnut Creek Mutual is responsible for the first \$120,000 of the deductible for damage from a covered occurrence in Fourth Walnut Creek Mutual. Fourth Walnut Creek Mutual will contribute a pro-rata share (based on number of units) of the deductible for a covered loss in any other of the participating Mutuals, for the deductible amount between \$10,000 and \$100,000.

The Director of Mutual Operations is authorized to withdraw funds from the Mutual's operating account to fulfill Fourth Walnut Creek Mutual's share of this contribution in the event of a loss covered under this agreement without the Board's approval. Notice of a withdrawal under this provision will be made to the Board as soon as possible after an occurrence.

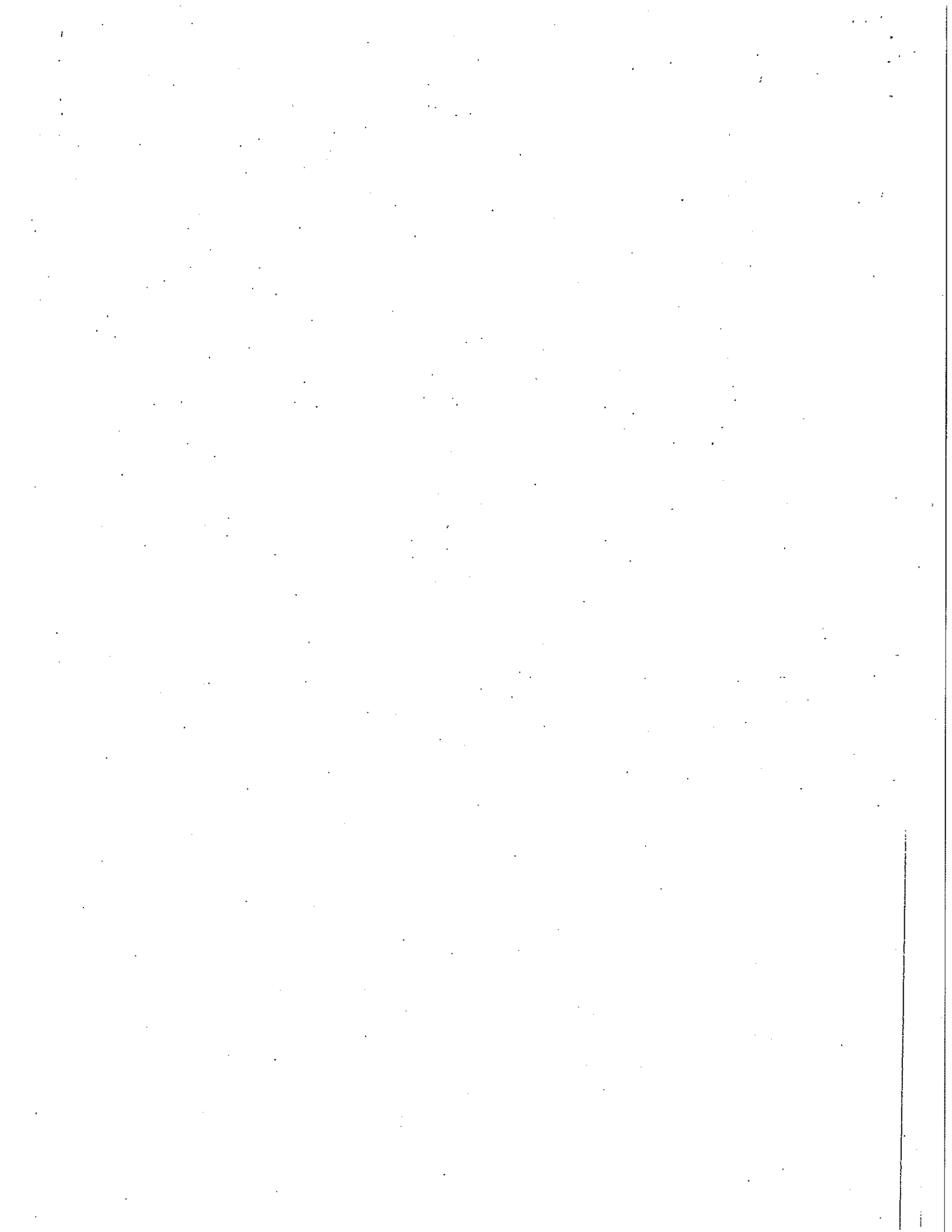
The contribution for the deductible is limited to the items more-clearly defined in the Agreement to Share the Deductible. The Agreement will be void if less than 85% of the manors managed by P/M are not signatories to the Agreement, and the Agreement requires each Mutual's Board to ratify the agreement annually.

For the covered perils under the property insurance policy (fire, flood, wind, wind-driven rain), built-in fixtures, wall coverings, paint, installed carpets, etc., are insured under the Mutual's blanket property insurance policy and are considered part of the building structure, not personal property, for insurance purposes. If damaged by a covered peril, they are covered at replacement value.

If an owner's property is damaged by the failure of a building components that the Mutual maintains, such as a rain leak, the Mutual is liable to the owner for the depreciated value of any personal property damaged because of the building component failure.

6.1 LOSSES TO PERSONAL PROPERTY IN A UNIT CAUSED BY A DEFECT IN THE BUILDING STRUCTURE.

Subject to review by the Board in each case, the Mutual may help cover uninsured losses to personal property when the damage is caused by a defective building structure (for example, damage caused by water entering through a leaky roof or a crack in a floor slab). The Mutual will share costs with the owner according to the insurance industry standards.



7.0 LANDSCAPING

7.1 RESIDENT GARDEN POLICY

A resident garden is a common area which the resident may, with approval, create and plant for the pleasure and enjoyment of themselves as well as other residents. This garden must conform to the Mutual's Landscaping Policy.

If an owner wants to change the landscaping in the common area adjacent to their unit, a proposal (including plans) must be submitted to the Board, which will ensure that the changes conform to the overall appearance of the Project area as well as the Mutual's Landscaping Policy. The Board may require that the owner obtain the agreement of other affected unit owners to ensure that there are no objections to the proposed changes before the request for approval.

A resident garden remains the property of the Mutual and is incorporated into its overall landscape design. As a precondition for approving a proposed resident garden, the owner will have to agree either to maintain the approved changes or contribute to the cost of maintaining them at a maintenance level satisfactory to the Board. If maintenance fails to meet the Board's standards, restoration of the area to its original condition will be required at the Mutual's discretion and at the owner's expense.

There will be no extra maintenance from the Mutual Operations Landscape Department for the resident garden. Furthermore, the resident is obligated to ensure, at all times, that there are no obstructions in the garden that would interfere with fire, public safety or medical personnel on emergency calls, as well as the Mutual Operations staff engaged in routine maintenance.

In the event that a manor with a resident garden is sold, it is the responsibility of the owner to inform the buyer of all conditions and obligations pertaining generally to resident gardens in the Mutual. If the buyer wishes to retain the resident garden, he/she is required to renew the permit in the name of the new owner. If the buyer declines to take responsibility for the resident garden, then the current owner must return the garden to a condition similar to the surrounding common area, subject to approval of the Landscape Department.

The application procedures are initiated by the resident, who will prepare and submit the application (including proposal and plans) to the Mutual Operations Landscape Maintenance Department. If the application is approved by MOLMD, it will then go to the Fourth Mutual Landscape Chair for review and presentation to the Board at its first available meeting. If the plan meets the requirements and conditions of the Mutual's Resident Garden Policy, it will be approved. If the application is not approved at any point in the process, changes may be suggested, which the resident can incorporate into a resubmitted application. Alternatively the resident can simply appeal the decision to the Board of Directors.

7.0 LANDSCAPING

7.2 TREE OR SHRUB REMOVAL AND TRIMMING

The Board may approve a resident's request to have a tree or shrub removed if it is:

- Dead, dying or seriously diseased
- An immediate or future hazard to people or property
- Unsightly because of age or damage
- Not harmonious with good landscape design
- Permitted by the City of Walnut Creek

Residents may not top, prune, or cut any tree or shrub; requests to have such work done by the Mutual, must be submitted to the Board in writing. The request should include separate statements from neighbors that will be affected by the topping, pruning, removal, etc., that they do not object to the proposed action.

7.3 WALKWAYS

A resident who wants to put a walkway, including stepping stones, in the common area must submit an alteration application, which must be approved by affected neighbors and by the Board.

8.0 LEASING

8.1 OCCUPANCY OTHER THAN BY OWNER

Units are intended to be owner-occupied. A manor may be rented or leased for a period of up to one year. Requests to rent or lease must be approved by the Board of Directors. Purchase of a unit for the purpose of rental will not be allowed.

Any request to rent or lease for a period exceeding twelve consecutive calendar months shall be put before the Board for approval. The Board may approve a longer occupancy period if, in its discretion, the Board has determined that a longer rental or lease period is in the best interest of the members. It is not the intent of the Board to indiscriminately approve leases for a period of occupancy beyond the one-year period.

Hardship(s) will be dealt with by the Board on an exception-basis.

8.2 PROCEDURE FOR PROCESSING LEASES

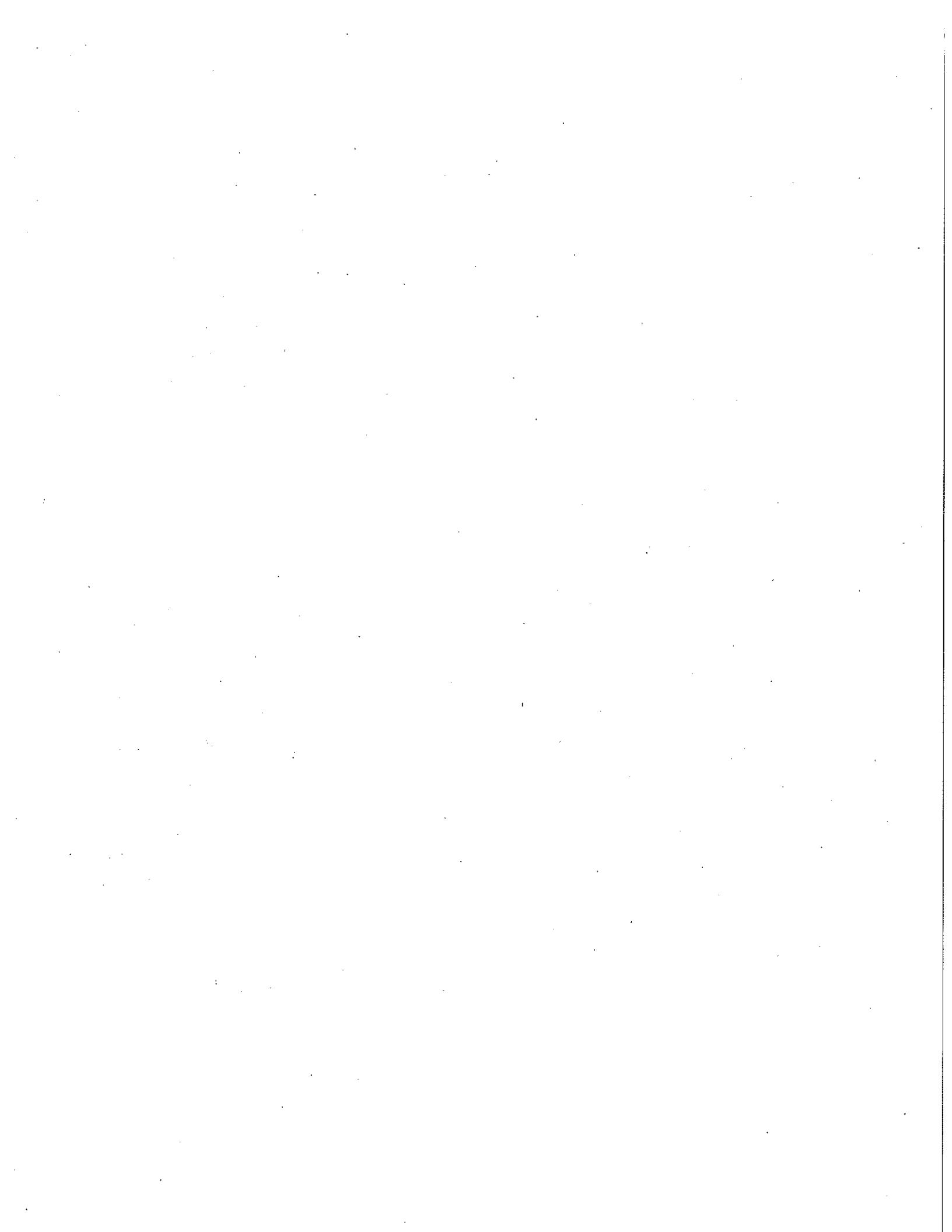
Rental, lease and other occupancy permit forms are available at the GRF Administration Office. Owners must obtain written approval from Fourth Walnut Creek Mutual Board before executing a Rental or Lease Agreement. Approval may be requested by submitting a Request to Lease form to the GRF member Services Department.

If the lease request is approved, the owner will submit the Lease Agreement and the approved Request to Lease form to the Member Services Department for approval by the Mutual.

A copy of GRF's Resident Regulations, Fourth Walnut Creek Mutual's policies, and the governing documents will be given to the lessee (for a fee), who will sign for their receipt.

8.3 CONTACT INFORMATION

Every owner of a manor shall keep his/her contact information current at all times.



9.0 MAINTENANCE

9.1 MAINTENANCE RESPONSIBILITY

According to the California Civil Codes that govern condominium living arrangements, certain repair and maintenance activities are the responsibility of the Mutual and other are the responsibility of the unit owner. A portion of the monthly fees collected pays for maintenance of the Common Area (landscaping and the exterior of buildings), which is, generally, the responsibility of the Mutual. The maintenance and repair of the interior of a unit is the responsibility of the unit owner.

To clarify whether the unit owner or the Mutual is responsible for the maintenance and repair of an item Appendix A (attached) lists some different type of maintenance repair items that frequently occur in units, and indicates whether the Mutual or unit owner is responsible for their repair or maintenance.

Before Mutual-billable maintenance items can be called in to MOD, they first must be approved by a committee chairperson or, if unavailable, a director. Residents should not contact MOD directly about maintenance items for which the Mutual is responsible, since MOD has been instructed not to respond without the Mutual's prior authorization.

If the problem involves ants or exterior pathway or carport lighting, residents may contact MOD directly. These problems do not need the prior approval of a director.

9.2 PAINTING

Residents may not paint the exterior surfaces of buildings. The maintenance of doors and windows is the owner's responsibility, but their color must be approved by the Mutual. The Mutual may paint these items when it paints the buildings.

Residents may paint the interior of their units without the Mutual's approval.

9.3 SMOKE DETECTORS

Manors in Fourth Walnut Creek Mutual will have operable smoke detectors in accordance with the building code requirements in effect when the unit was built, repaired or altered.

The Mutual will periodically inspect smoke detectors, repair them, test them, and replace batteries, as needed.

9.0 MAINTENANCE

9.4 EXCLUSIVE USE COMMON AREAS

The resident is responsible for regular/routine cleaning of their exclusive use common areas (carports, entryways, patios, balconies, etc.). The Mutual may clean areas that are not normally accessible to residents (entryway skylights). The Mutual also reserves the right to itself to enter and effect repairs/cleaning to any exclusive use common area in order to protect the Mutual's interests.

9.5 PLANT CONTAINERS AND POTTED PLANTS

Because runoff from plant containers has fertilizer salts and other substances in it that can etch and stain exterior surfaces, plant containers and potted plants must have water-tight catch basins of sufficient size under plants to prevent water overflow or leakage that may cause stains or mildew. Leakage from plants in containers may result in the homeowner being held financially responsible for cleaning or repairing of damaged surfaces.

10.0 MEETINGS & HEARINGS

10.1 ACCESS TO MINUTES

Per California Civil Code §1363, owners may have access to minutes of Board meetings, other than meetings held in executive session, within 30 days of a meeting. Minutes may be reviewed at the Board Office at Gateway Complex.

Owners may have copies of minutes if they reimburse the Mutual for the distribution cost. Owners' written requests for copies of minutes should be sent to the Mutual's Board of Directors at P.O. Box 2070, Walnut Creek, CA 94595.

10.2 HEARINGS

10.2.1 INITIATION OF ACTION

When a hearing is called by the Board or requested by a member, the following procedures will be followed:

- The matter will be scheduled to be heard at a regular or special meeting of the Board, to be held not less than 20 nor more than 40 days after the resolution calling for a hearing.
- At least ten (10) days prior to the hearing date, the Board will personally or by first class or registered or certified mail deliver to the member notice of the date, time and place of the hearing and a copy of the resolution, which will generally describe the violation (with citations).
- In the notice, the Board will request that the member notify them if they plan to bring legal counsel to the hearing. If a quorum of the directors fails to attend the hearing, the matter will be heard at the next succeeding regular or special Board meeting at which a quorum attends, with the member receiving the same notice as given Board members.

10.2.2 THE HEARING

- A hearing by the Board will be informal, and will be presided over by the President or the Vice President, who will:
 - Read the charges against the member;

10.0 MEETINGS & HEARINGS

- Require that the charges be verified by the testimony of one or more of the persons making them;
- Hear any other witnesses against the member;
- Allow the member to make a statement in his or her own behalf;
- Allow the member to call witnesses in his or her own behalf; and
- Allow the directors present, when and as recognized by the chair, to question the witnesses.

If the member fails to appear at a noticed hearing, the Board may conduct its deliberations and make its decision based on the information available to the Board.

After the hearing, the Board will deliberate and, not later than three business days, will vote on the matter, which will be determined by a majority vote of the Directors present at the hearing. The Board will attempt to contact the member in person or via telephone to inform the member of the decision. Within 24 hours of the Board's decision written notice of the decision will be transmitted to the member via registered or certified mail.

10.3 MEETINGS

The Board will permit any Mutual member to speak at any regular Board meeting, special Board meeting or regular or special member meeting. Members may not speak at an executive Board session.

The Board may establish a reasonable time limit in which an owner may speak.

The Board will only allow comments against the Board which are not slanderous and that are delivered in a non-belligerent manner, so that comments are not only constructive, but also are not threatening nor offensive to any person in attendance.

10.4 MUTUAL RECORDS SUBJECT TO MEMBER ACCESS

Pursuant to the Davis-Stirling Common Interest Development Act, Chapter 5, Article 2, § 1365.2: Mutual members shall have access to the following Mutual documents:

10.0 MEETINGS & HEARINGS

1. Minutes: (a) Membership: Agendas and approved minutes of Meetings of Members;
(b) Board: Agendas, the minutes, minutes proposed for adoption that are marked to indicate draft status, or a summary of the minutes of any meeting of the Board of Directors, other than executive session minutes; unanimous written consents of the Board; pending Board Policy Resolutions and proposed Policies and Rules; and
(c) Committees of the Board (as defined in Corporations Code section 7212): Agenda and approved minutes of committees of the Board.
2. Governing Documents: Articles of Incorporation; Bylaws; Declaration of Covenant, Conditions and Restrictions (CC&Rs); Establishing Agreement, and Rules (including approved Policies).
3. Financial Records: (a) Pro forma operating budgets; (b) Year-end financial statements; (c) Periodic financial statements (containing any of the following – balance sheet, income and expense statement, budget comparison, general ledger); and (d) Check registers; (e) Enhanced Mutual records and, (f) Reserve studies and annual updates.
4. Compensation Paid to Employees, Vendors, and Contractors: If information containing employee, vendor and contractor compensation is included in books and records that Members are entitled to see under the law or this policy, the Mutual may not withhold or redact such information from those books and records. Except that such compensation information for individual employees shall be set forth by job classification or title only.
5. Insurance: Summary of insurance (distributed pursuant to Civil Code section 1365(e)); insurance policies.
6. Membership List: The current membership list or roster which contains all the members' names and their addresses, provided, however, that the Mutual (i) may deny the request if it reasonably believes that the list will be used for an unlawful purpose or purpose that is not reasonably related to the requestor's interest as a Mutual member, and (ii) may also deny the request if it provides a reasonable alternative (see Corporations Code section 8330 (b), (c)). A member of the Mutual may opt out of the sharing of his/her name, property address, and mailing address by notifying the Mutual in writing that he or she prefers to be contacted by the alternative process.
7. Priority List of Rented Units: The priority list of all units being leased or rented that is maintained by the Mutual pursuant to the CC&Rs.

10.0 MEETINGS & HEARINGS

8. Mutual's Right to Withhold Certain Information: Notwithstanding the foregoing, the Mutual may withhold or redact information from the Mutual's records: (a) if the release of the information is reasonably likely to lead to identity theft of another's personal information or fraud in connection with the Mutual, or (b) if the information is privileged under law, or (c) if the release of the information is likely to compromise the privacy of an individual member of the Mutual, or (d) the information contains any of the following: (1) records of a-la-carte goods or services provided to individual members of the association for which the Mutual received monetary considerations other than assessments, (2) records of disciplinary actions, collections activities, or payment plans of homeowners other than the homeowner requesting the records, (3) any person's personal identification information, (4) agenda, minutes, and other information from executive sessions except for executed contracts not otherwise privileged, (5) personnel records other than payroll records, and (6) interior architectural plans for individual homes.
9. If a member requests, in writing, copies of Mutual records, the Mutual may bill the requesting member for the direct and actual cost of copying requested documents. The member shall agree to pay these costs before the Mutual copies and delivers the requested documents. In addition to the direct and actual costs of copying and delivering requested documents, the Mutual may bill the requesting member an amount not to exceed ten dollars (\$10) per hour, and not to exceed two hundred dollars (\$200) per written request, for the time actually and reasonably involved in redacting enhanced Mutual records. The member shall agree to pay these costs before the Mutual retrieves the requested documents.

10.5 RECORDING MEETINGS

Without prior permission from the Board of Directors, no resident may record a general or special meeting of the Board using still photography, videotaping, or audiotaping.

10.6 ELECTION RULES; VOTING PROCEDURES; INPECTORS OF ELECTIONS

These rules apply not only to the annual election of directors of the Mutual, but also to any other issue which may require a vote by the membership at large.

The Board will ensure that equal access is provided to all candidates and/or members advocating a point of view, including those not endorsed by the Board. This includes equal access to any common area meeting space, if any exists.

The Board shall specify the qualifications for candidates and procedures for the nomination of candidates for the Board of Directors. In any event, any member

10.0 MEETINGS & HEARINGS

in good standing of the Mutual may nominate himself or herself for election to the Board of Directors.

Each member in good standing in the Mutual shall have one vote in any election, not to exceed one vote per residence.

Ballots will be distributed not less than thirty (30) days before the Annual Meeting. Ballots will be counted at a noticed open general meeting preceding the Annual Meeting, and results will be announced at the Annual Meeting.

The Board will appoint either one or three inspectors of election prior to the distribution of ballots. An inspector may not be a member of the Board of Directors, or a candidate for the Board of Directors, or a relative of a member of the Board of Directors, or a relative of a candidate for the Board of Directors.

A member of the association may be an inspector of elections. The board may appoint an employee of the Mutual Operations Division as an inspector of elections.

The inspector(s) of elections shall: (a) determine the number of members in good standing eligible to vote in any election, (b) receive ballots, (c) hear and determine all challenges and questions arising in any way out of or in connection with the right to vote, (d) count and tabulate all votes; (e) determine when the polls shall close, and (f) determine the results of the elections. In addition, the inspector(s) of elections shall report the election results to the Board of Directors.

Balloting shall be by the two-envelope blind ballot system.

Election results will be reported by the Board of Directors at their next meeting. The Board will also publicize the results of the election, within fifteen (15) days of the election, in a communication directed to all members.

Ballots will be stored by the Mutual for one year after the date of election.

Mutual funds shall not be used for campaign purposes in connection with any Board election, nor shall they be used for campaign purposes in connection with any other Mutual election except to the extent necessary to comply with duties of the Mutual imposed by law.

11.0 PETS & WILDLIFE

11.1 PETS

No animals shall be kept, bred, or raised with the Mutual for any commercial purposes.

Except for domestic dogs, cats, birds, fish, and common domestic caged pets in numbers not to exceed those permitted by local ordinance, no animals shall be kept in any unit or elsewhere in the Mutual.

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 owner, resident, and any person bringing 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 upon the Mutual by such person or by members of his/her family, tenants, guests, or invitees. The owner 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 owner, members of his/her family, guests, tenants, or invitees.

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 or danger to any other person.

No pets may be kept in the Mutual that become a nuisance. Pets that are determined by the Board to be noisy or obnoxious *or dangerous* are subject to removal from the Mutual.

When the pets are outside the manor, they must be on a leash at all times.

11.2 FEEDING OF WILDLIFE

Bird seed feeders and/or scattering of bird seed, or feeding all other wild, feral or domesticated animals outside is not permitted because it attracts rodents. If bird feeders are discovered, the owner will be required to remove the feed and feeder immediately upon notification.

12.0 USE RESTRICTIONS

12.1 DRYING AND LAUNDERING

No outside clothesline or other outside clothes washing, drying, or airing facilities shall be maintained anywhere in the Mutual.

12.2 EXCLUSIVE USE COMMON AREAS

(Garages/carports/patios/balconies/entries/golfport storage units)

Each owner and/or resident shall keep his/her assigned exclusive use common area in a neat, orderly, sanitary, and safe condition. Garage and storage unit doors shall remain closed except during ingress or egress or when necessary to provide ventilation for individuals working in the garage/storage area.

If the Board of Directors determines that an exclusive use common area is not being kept in a neat, orderly, sanitary, and/or safe condition, the Board may require the owner and/or resident to correct conditions to its satisfaction. (See also Policy 12.9)

12.3 OCCUPANCY

The Mutual's CC&Rs define who may occupy a manor. If a resident wants to hire a "live-in" employee, they should first contact Member Services, who will provide a copy of the approved procedure and arrange for a pass to be issued. If the third occupant in a manor is a live-in employee (such as a nurse, housekeeper, etc.), they are exempt from payment of the monthly GRF fee for third occupants, since live-in employees may not use the community's recreational facilities.

To remain a qualified senior retirement community, 80% or more of Fourth Walnut Creek Mutual's units must be occupied by at least one person who is at least 55 years old. Information about qualified permanent residents and care providers is available from Member Services. The Mutual asks that all owners/occupants provide the requested information about those residing in manors to ensure that the Mutual's qualification as a senior retirement community is not jeopardized. (See Policy 12.11)

12.4 BARBECUES AND OUTSIDE FIRES

There shall be no exterior fires anywhere within the Mutual except for barbecue and controlled fires contained within receptacles designed for that purpose. Barbecue and controlled fires must be maintained safely and must not be a nuisance to other residents.



12.0 USE RESTRICTIONS

Barbecues and other controlled fires other than on a ground level patio must be solely propane and/or electric.

Barbecues and other controlled fires are not allowed anywhere within the common area of the Mutual without the prior consent of the Board of Directors.

12.5 REGULATIONS

Noises, such as stereo, organ, radio, television, piano music, or party conversation are to be kept at a level that will not interfere with or be an annoyance to residents in neighboring manors.

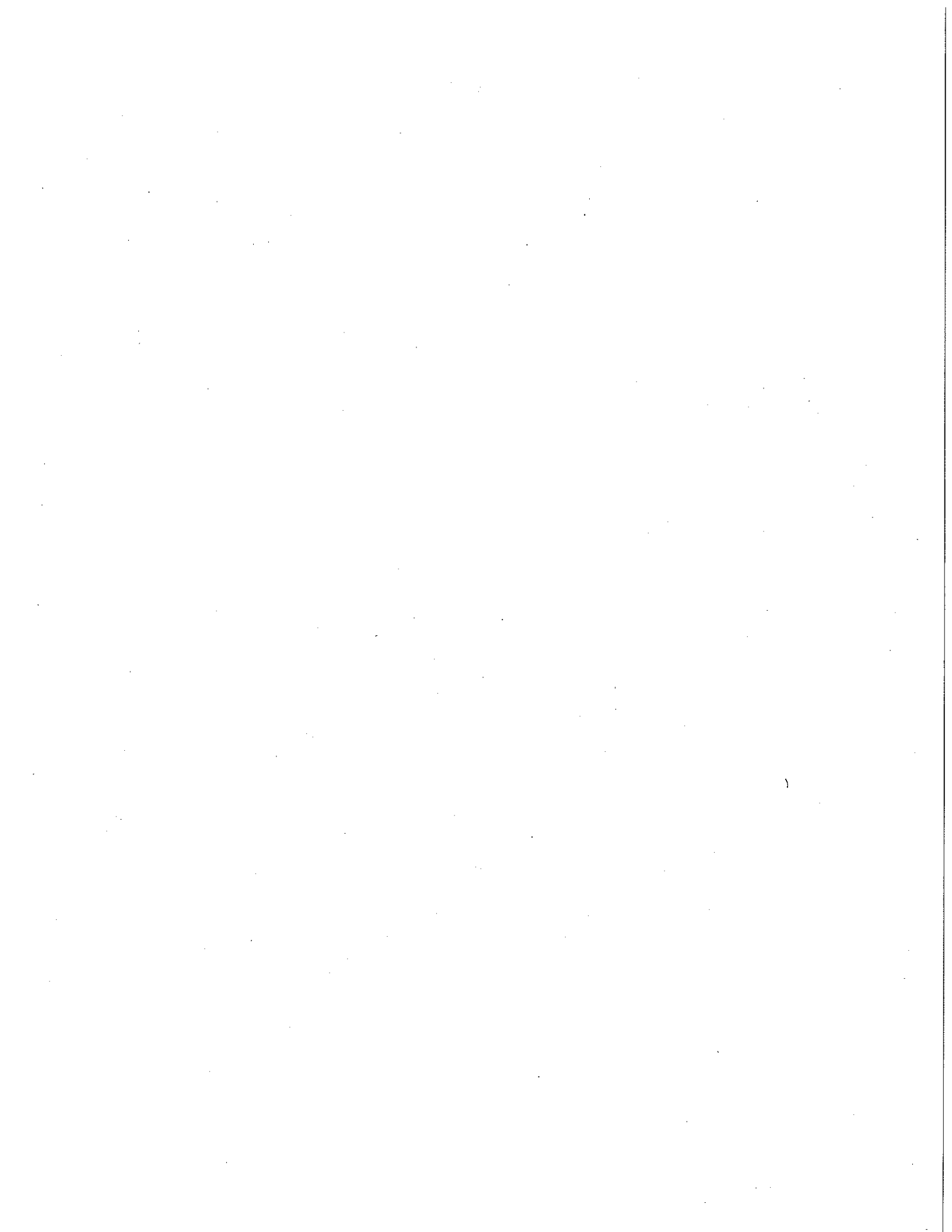
Door-to-door campaigns or other forms of resident canvassing are prohibited, except when authorized by the Board.

GRF prohibits their employees from residing in a Rossmoor Mutual. Fourth Walnut Creek Mutual prohibits the employment of residents by the Mutual.

Use of air conditioners outside residents' units in the summer, at night, can be an annoyance to your neighbors. Please be considerate.

12.6 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:
- Signs required by legal proceedings;
- Signs which by law cannot be prohibited;
- An approved identification sign located on a unit identifying the number or address and/or the names of the occupants;
- Signs approved by the Board and the Architectural Control Committee located at or near any entrance to the Mutual identifying the Mutual;
- Signs required for traffic control and regulation of streets or open areas within the Mutual;
- Signs on the common area as approved by the Board for a purpose reasonably related to the affairs of the Mutual.



12.0 USE RESTRICTIONS

12.6.1 DISPLAY OF POLITICAL SIGNS IN EXCLUSIVE USE COMMON AREA

Except as otherwise specifically permitted in this policy or by law, political signs, banners and posters may not be displayed to public view in or on an owner's exclusive use common area. Exclusive use common area is defined in the CC&Rs and includes but is not necessarily limited to (i) patios, (ii) decks, and (iii) balconies or verandas.

A "political sign" means a sign, poster, or banner endorsing a candidate running for public office or a measure to be decided by the vote of the general public at an election.

A "political sign" is a sign, poster or banner of reasonable and usual dimensions and made of the type of materials typically posted at private residences during election periods.

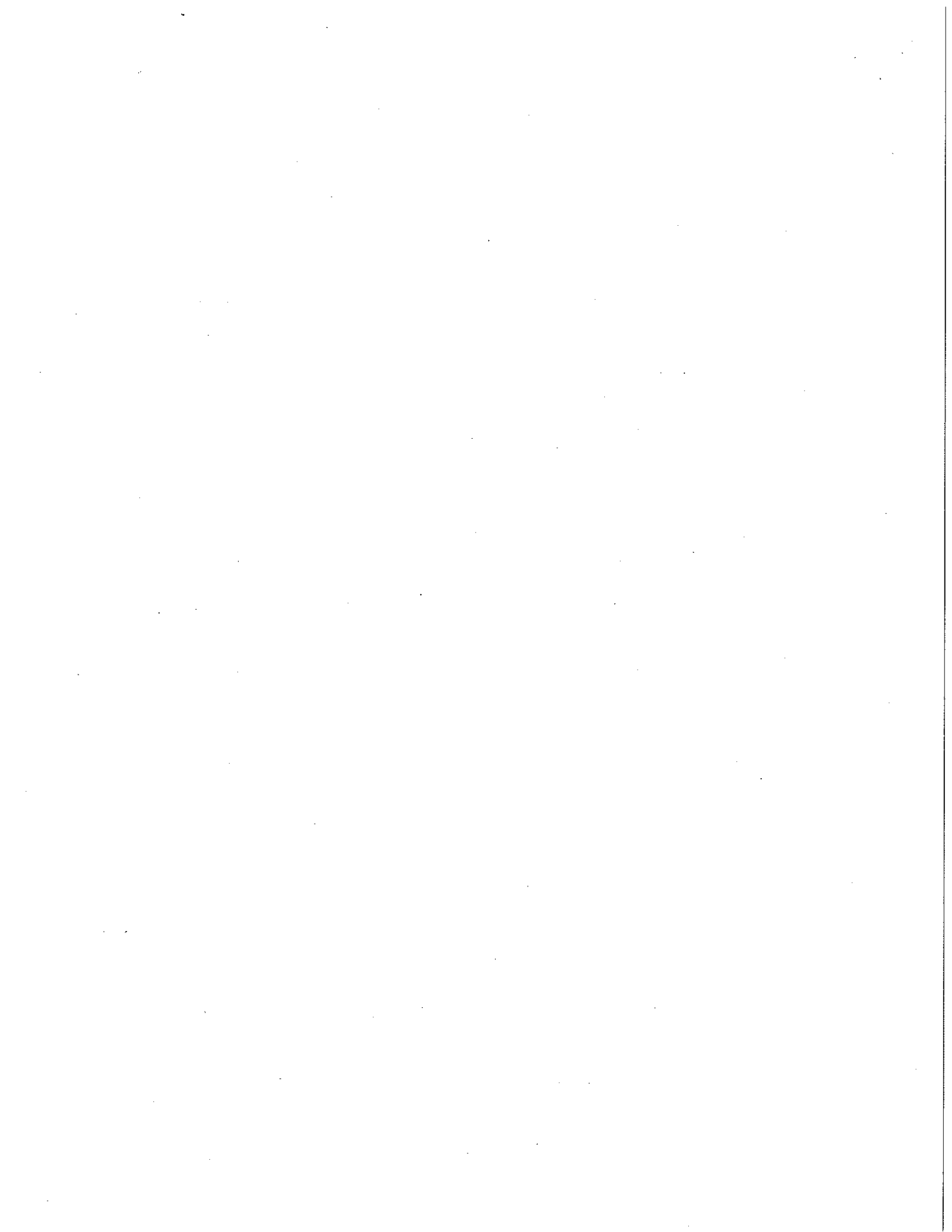
Residents may post political signs in or on their exclusive use common area up to thirty (30) days before the date of the election. Political signs shall be removed within ten (10) days following the election. Following notice to the owner and an opportunity for a hearing, any political sign or poster not removed in accordance with this policy may be removed by the Mutual.

Residents who post political signs shall be responsible for maintaining such signs in a neat and clean condition and shall promptly replace or restore any sign that is torn, damaged, or fallen.

The Mutual may remove any political sign that, in the sole discretion of the Board of Directors, (i) is not of reasonable and usual dimensions, (ii) is posted in an unsafe manner, or (iii) poses an unreasonable risk of harm to any person or property. Unless the political sign poses an imminent threat as determined by the Board, the unit owner shall be given notice and opportunity for a hearing before the Mutual removes the sign.

Residents may not post political signs in or on Mutual common area (such as the exterior surfaces of buildings, elevators, landscape areas, sidewalks, and entries).

Any expenses incurred by the Mutual in removing a political sign pursuant to this policy may be recovered from the unit owner as reimbursement assessment as provided in the Mutual's records



12.0 USE RESTRICTIONS

Declaration of Covenants, Conditions and Restrictions (as amended, the CC&Rs).

12.7 SPORTS APPARATUS

No basketball standard (including so-called portable basketball standards) or other portable or fixed sports apparatus shall be placed upon or attached to any portion of the Mutual without the written permission of the Board of Directors.

12.8 TRASH DISPOSAL

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 unit and concealed from view. No owner or resident 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.

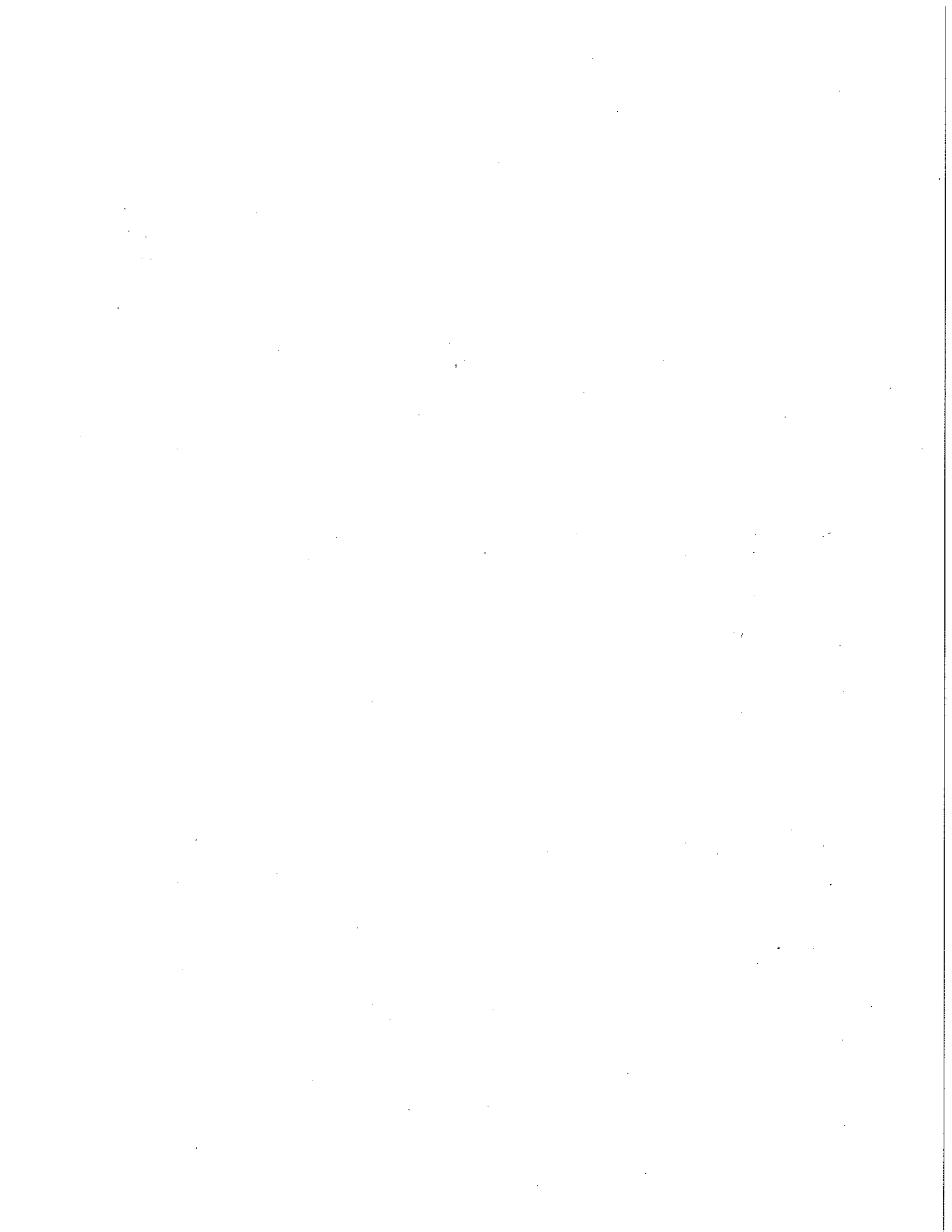
The trash containers provided by the Mutual shall not be used by any contractor or owner for disposal of construction materials.

The trash containers provided by the Mutual for the convenience of the residents shall be used only for the disposal of normal weekly trash and garbage. Trash and garbage that results from the cleaning of a manor, such as in preparation for the sale of the manor or when the residents of a manor move, shall be hauled away and may not be deposited in the trash containers provided by the Mutual. Large and/or bulky items (chairs, sofas, appliances, etc.) must be disposed of properly and may not be disposed of in the trash containers provided by the Mutual.

12.9 VEHICLES AND PARKING

When residents/members/guests/visitors drive onto any entry of the Mutual, they are on Mutual-owned property and are subject to the Vehicle and Parking regulations of the Mutual. Even if speed limits are not posted, residents/members/guests/visitors must maintain a speed so as not to endanger anyone or any property.

Each owner/resident shall utilize their garage/carport as the primary parking space for their vehicle. Their garage/carport must be kept in such condition as to allow their vehicle to fit entirely within the garage/carport. If an owner/resident has more than one vehicle, the extra vehicle may be parked in other Mutual parking areas. Parking in the extra vehicle parking spaces within the Mutual is



12.0 USE RESTRICTIONS

reserved for residents/members, guests, visitors and contractors. Vehicles parked in the extra vehicle parking spaces of the Mutual should be moved at least every 72 hours. Vehicles left in extra vehicle parking spaces within the Mutual while the resident/member is on vacation should have a note left on the seat of the vehicle giving contact information. These vehicles should be parked in those extra vehicle parking spaces that are least used by other residents/members.

Members may rent their garage/carport but only to other Rossmoor residents.

Open carports may not be used as workshops and must be kept in a neat and orderly condition. An auxiliary storage cabinet(s) may be placed in a carport stall as long as it does not prevent the vehicle from pulling all the way into the space. An auxiliary storage cabinet(s) fastened to the wall of the carport requires an approved Alteration Application.

No flammable material may be stored in a carport area, including within storage cabinets and carport closets.

Only fire-safe drip pans may be used under vehicles parked in a garage/carport. Any vehicle leaking fluids must be repaired and the garage/carport floor kept clean. It is the responsibility of each resident/member to keep their garage/carport swept clean of debris.

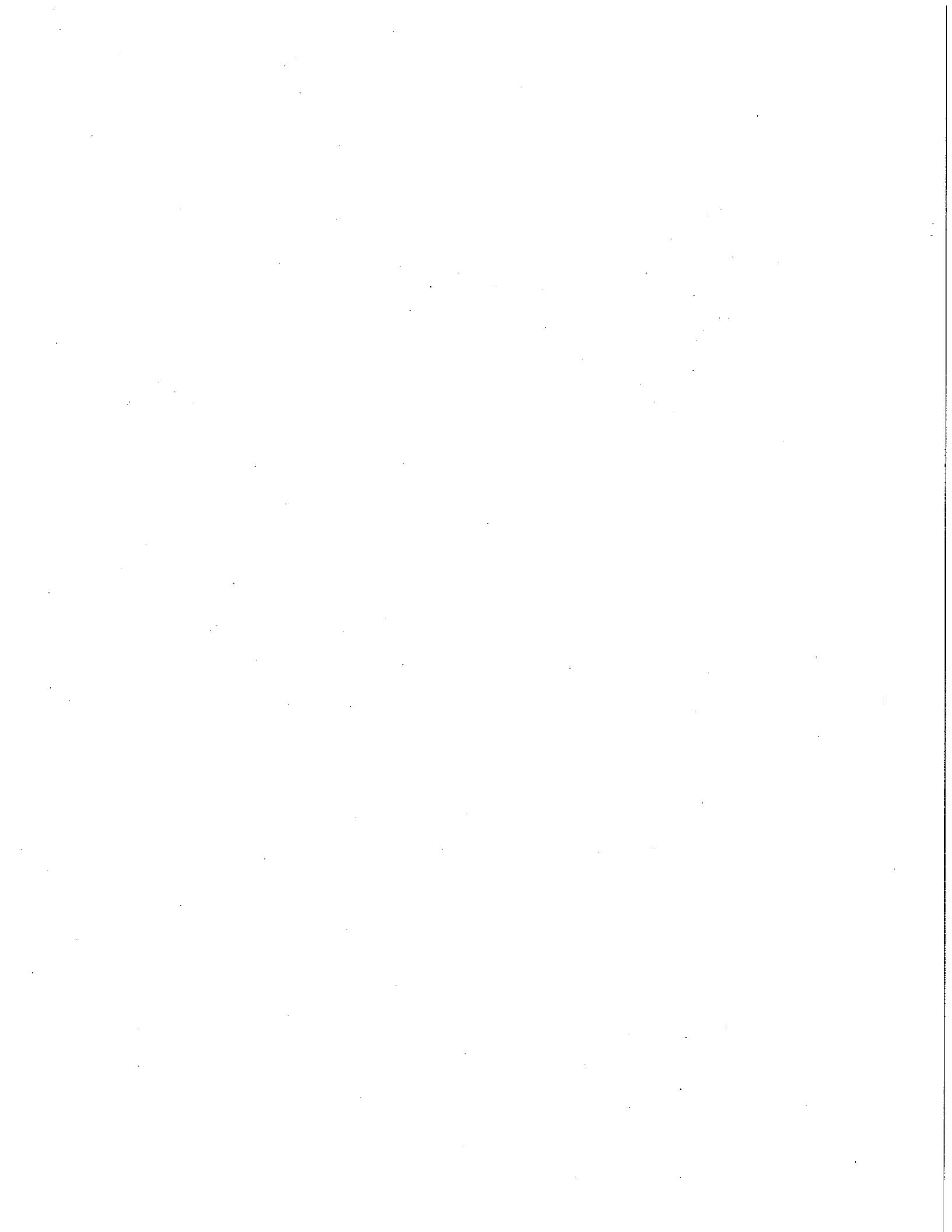
If a battery charger is used to recharge a golf cart, it must be placed on a secure non-flammable surface at least one foot from other structures (walls, cabinets, cars, etc). A battery charger must be equipped with an overload fuse or circuit breaker. It must be disconnected from the power source when not in use. Any extension cords must be UL-approved and must meet the specifications of the manufacturer of the equipment on which it is being used.

No vehicle should be left unattended with the motor running.

Curbs painted red are considered fire lanes and parking is not allowed.

Motor homes and recreational vehicles may be parked overnight in the Mutual in order to load and unload before and after trips. At all other times these vehicles may not be parked in the Mutual. Parking while loading and unloading is limited to 12 hours prior to leaving and 12 hours after returning.

Except for golf carts and two-axle passenger vehicles of a type customarily used for personal transportation, no motor vehicles (including, but not limited to,



12.0 USE RESTRICTIONS

trailers, campers, mobile homes, recreational vehicles, boats, or similar equipment, commercial vehicles, or trucks other than a standard size pickup truck) and no dilapidated, inoperable, or abandoned vehicle shall be parked, kept, stored or permitted to remain upon any area within the Mutual, other than temporarily in accordance with the policies unless placed or maintained wholly within an enclosed garage or carport. Abandoned or inoperable vehicles parked for longer than 72 hours may be towed by the Mutual after notification is given to the owner.

No vehicle which, in its operational condition or configuration, is incapable of being parked entirely within the boundaries of the carport, parking space, or closed garage of the unit shall be kept within the condominium development, except temporarily, as permitted by the policies of the Mutual.

The term "commercial vehicles" shall not include two-axle passenger vehicles or standard size pickup trucks which are used for both business and personal uses, provided that any signs or markings of a commercial nature on such vehicles shall be unobtrusive and inoffensive as determined by the Board.

No unreasonably noisy vehicles, as determined by the Board, and no vehicles emitting foul smelling or offensive exhaust fumes shall be operated within the Mutual. Except for minor emergency repairs, no servicing, maintenance, construction or reconstruction of any vehicle or boat shall be permitted. No boat or vehicle shall be displayed for sale at any time within the condominium development.

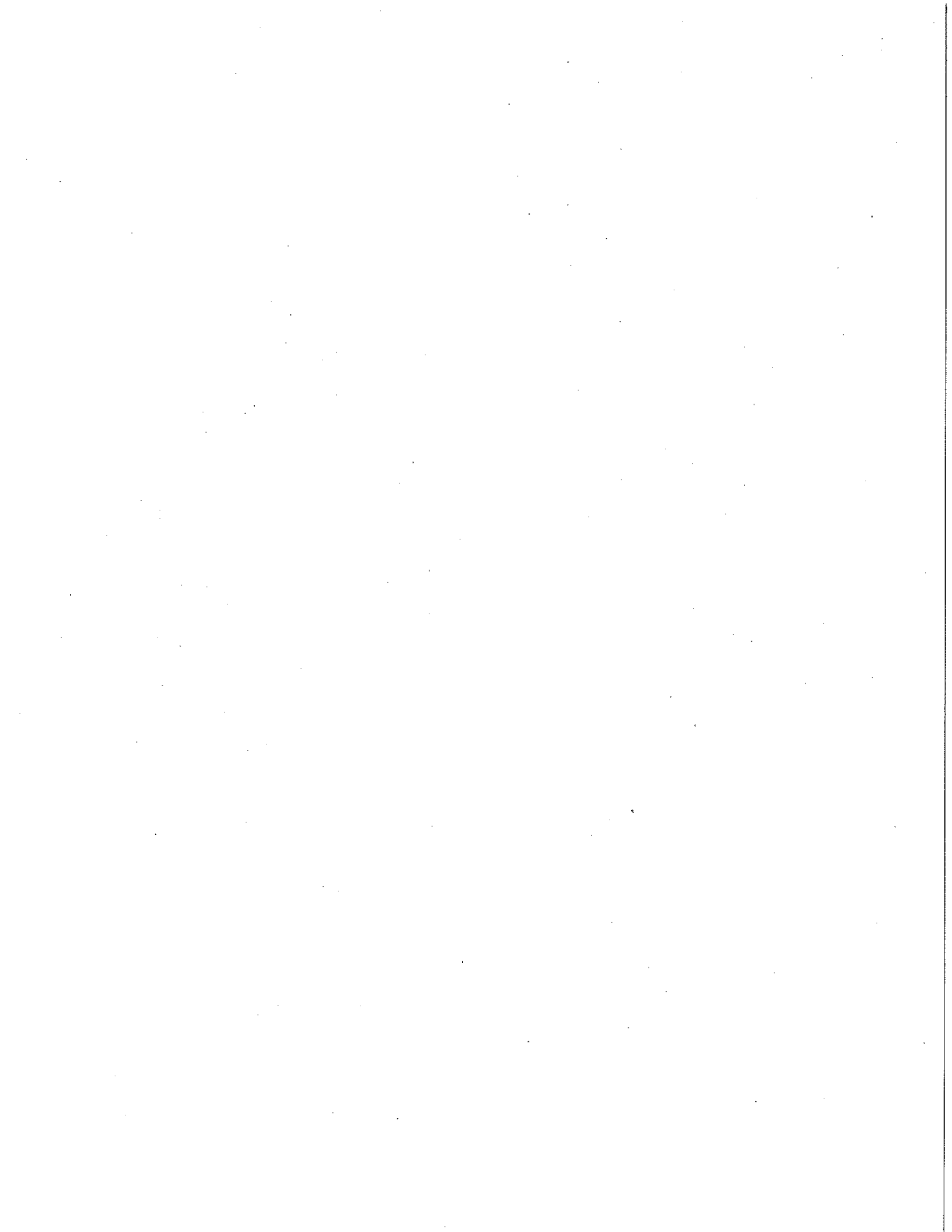
Use of designated guest parking spaces, of golf cart parking areas and other portions of the common area that are not exclusive use common area shall be subject to the policies.

Storage containers, such as are used for moving, may not be left in any part of the common area, e.g., parking spaces, without prior permission from the Mutual.

12.10 GOLF CART STORAGE UNITS

In order to assure that only members of Fourth Walnut Creek Mutual benefit from regular assessments, the Mutual allows sale or transfer of Golf Cart/Storage Units separate from the manor and the carport of the manor only to other members of that project.

Nothing in this policy is meant to prohibit members from renting these units to any other Rossmoor resident.



12.0 USE RESTRICTIONS

If the owner of one of these units is not a member of Fourth Walnut Creek Mutual, then that owner shall be assessed on a monthly basis an amount to be determined by the Board in order to cover the costs incurred by the Mutual for maintenance of that unit. This amount will be reviewed and may be adjusted each year based on the budget for the Mutual.

12.11 GUESTS

Any guest of a resident who stays for more than 21 consecutive days must register at the Golden Rain Foundation Administration office. Both Fourth Walnut Creek Mutual and the Golden Rain Foundation must acknowledge each registration.

No guest may stay for more than 75 days in any consecutive 12-month period.

12.12 ESTATE OR GARAGE SALES

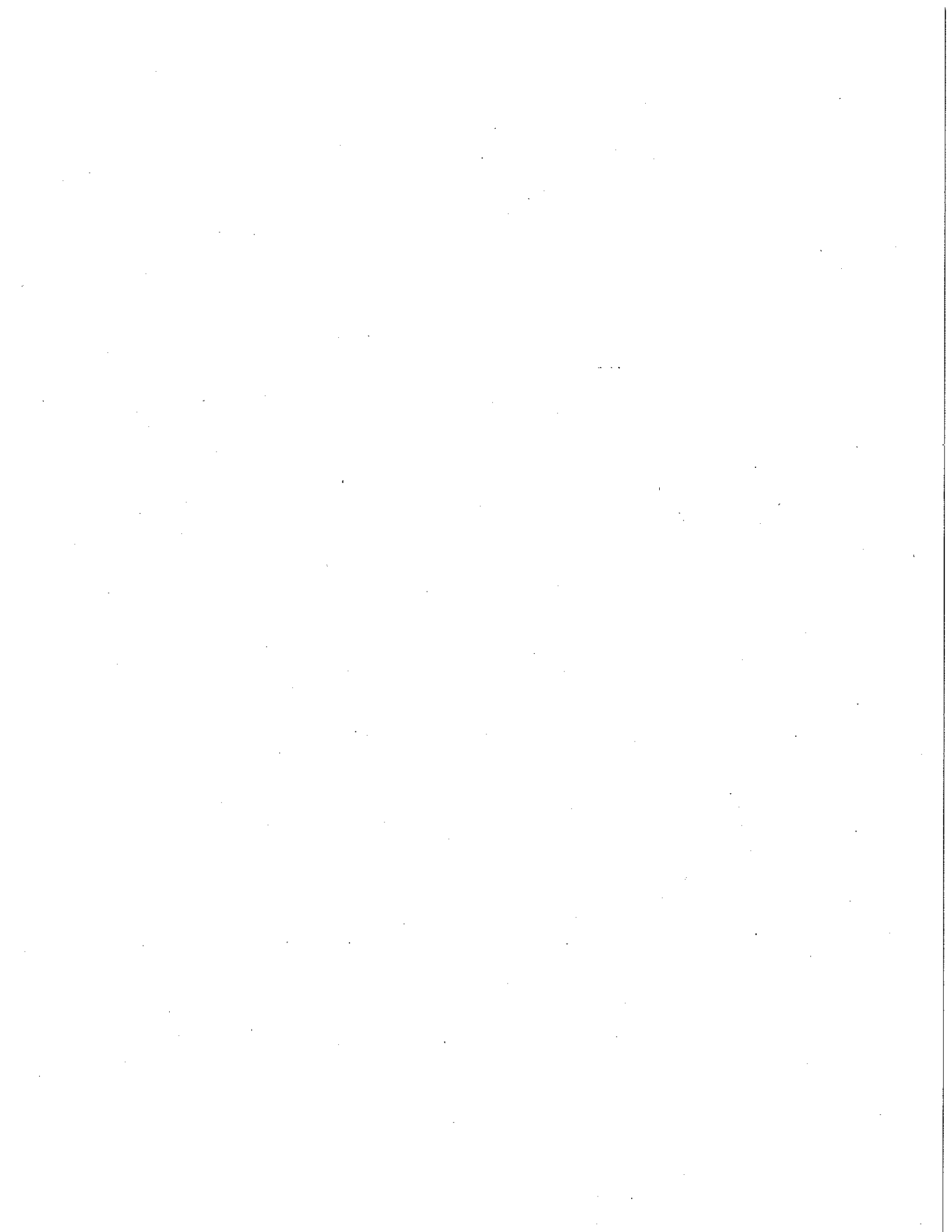
Advertisements for estate or garage sales within the Mutual are NOT to include the Rossmoor address — they may show only a telephone number.

Estate or garage sales cannot begin prior to 9:00 a.m. and must end by 5:00 p.m. The person conducting the sale must schedule hourly appointments for all shoppers (residents and non-residents) and is required to complete the Estate Sale Entry form listing the name of each shopper in a time slot. A maximum of ten shoppers per hour may be scheduled. Non-Rossmoor residents will ONLY be allowed to enter Rossmoor if their names are listed and ONLY during their authorized time slots.

The completed Estate Sale Entry form must be signed by the representative or resident who has the legal authority to approve access to Rossmoor. The entry form must be delivered to the Securitas Office or the Gate at least one day prior to the sale. If this form is not submitted to the gate, non-resident shopper will be denied entry.

Estate Sale Entry forms are available at the Gate, the Securitas Office or through the Rossmoor News Office.

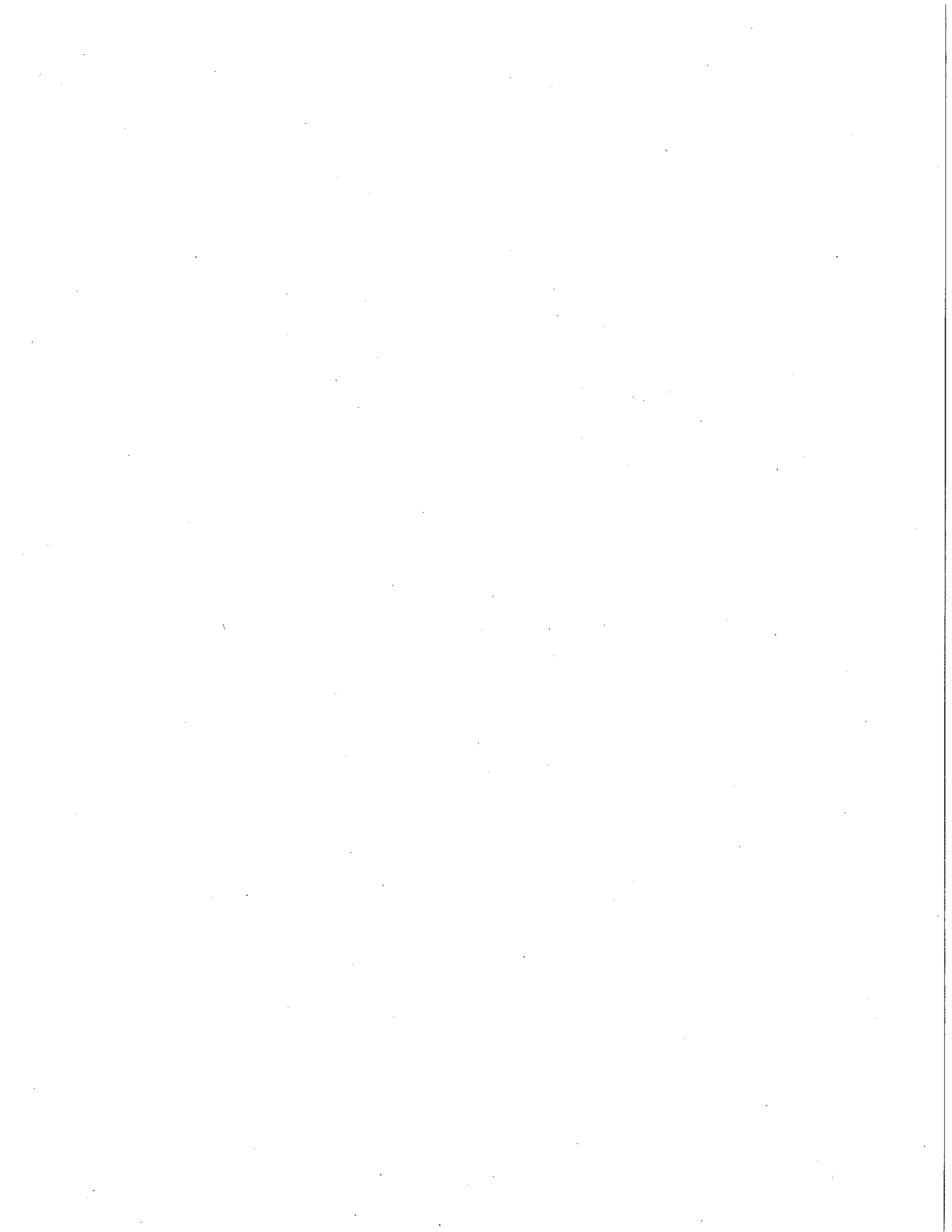
There are commercial companies available to assist with estate sales. While the use of a commercial company is permitted, bringing in other items that were not part of the original Rossmoor estate is prohibited. This prohibition extends to the resident and the family of the resident.



12.0 USE RESTRICTIONS

The Board of Directors may issue a fine for any violation of the provisions of this Policy.

Ref: Financial Activities 5.4 Schedule of Fines



13.0 ENFORCEMENT

In order to enforce the Policies of the Mutual, the Fourth Walnut Creek Mutual Board of Directors may levy a fine, not to exceed one hundred dollars (\$100) for each offense. Residents who are fined will be notified of their right to appeal the Board's action. Residents will have the right to meet with the Board in Executive Session in order to present their case. (See also Policy 5.5)

14.0 INSPECTIONS UPON RESALE

Fourth Walnut Creek Mutual conducts inspections upon resale of all manors in the Mutual. The purpose of these inspections is to identify unauthorized alterations to the common area and to identify Mutual and Resident repair responsibility involving this common area. Fourth Walnut Creek Mutual also encourages buyers at their own expense to arrange for their own inspections of the manor they are purchasing.

15.0 PAINTING OF EXTERNAL SURFACES

The Building Maintenance Committee will select building color schemes to present to the Board of Directors for approval. Residents of affected buildings will be notified in advance so that their opinion can be considered. Selection of colors will affect all areas outside the building proper, including entry halls, verandas, patios, and atriums, and all structural modifications attached thereto. In addition, the Building Maintenance Committee, subject to Board approval, determines the color scheme for carports, laundry buildings, and carport stalls under G-11 buildings.

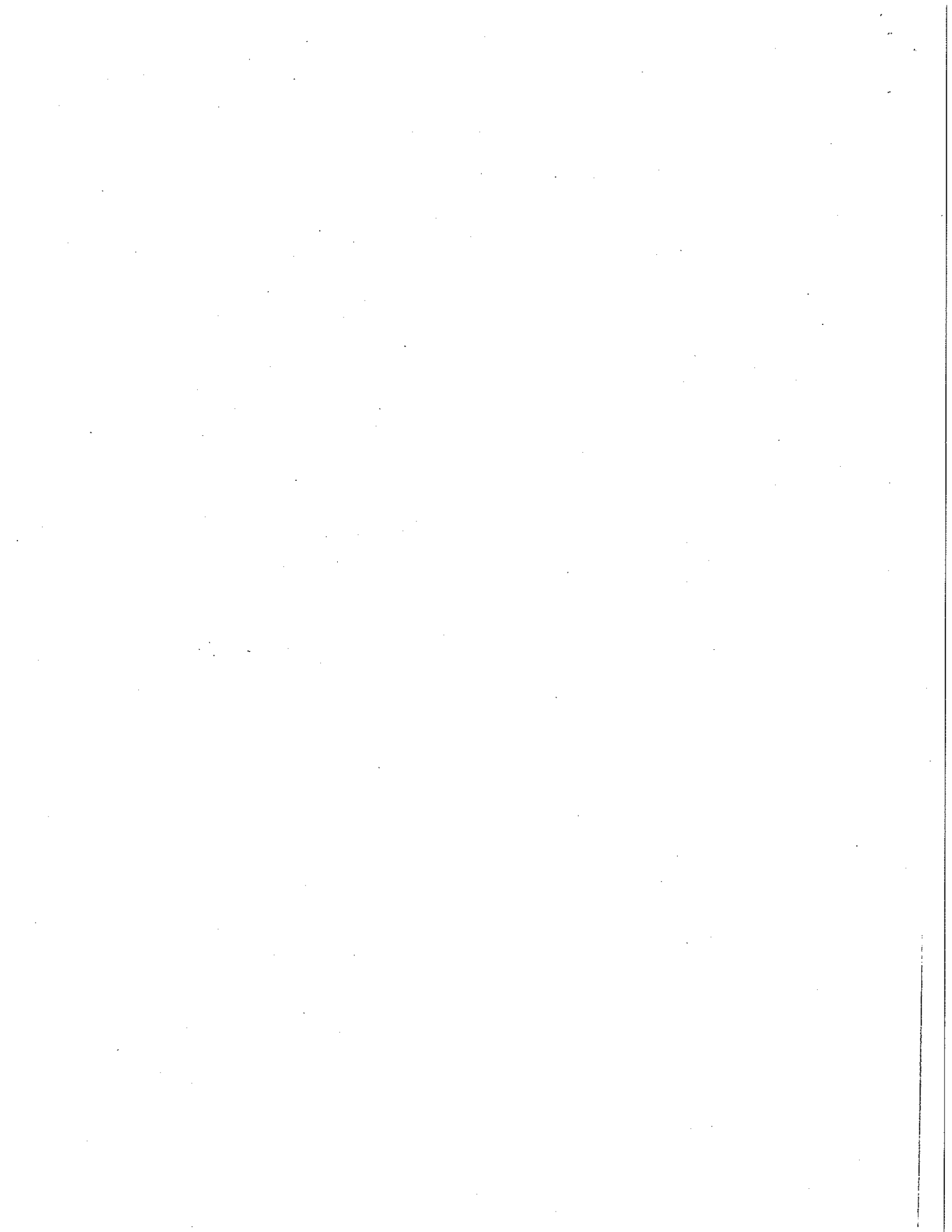
Concrete slabs-on-grade and concrete steps are not to be painted and/or coated except by special authorization from the Board.



16.0 HARASSMENT

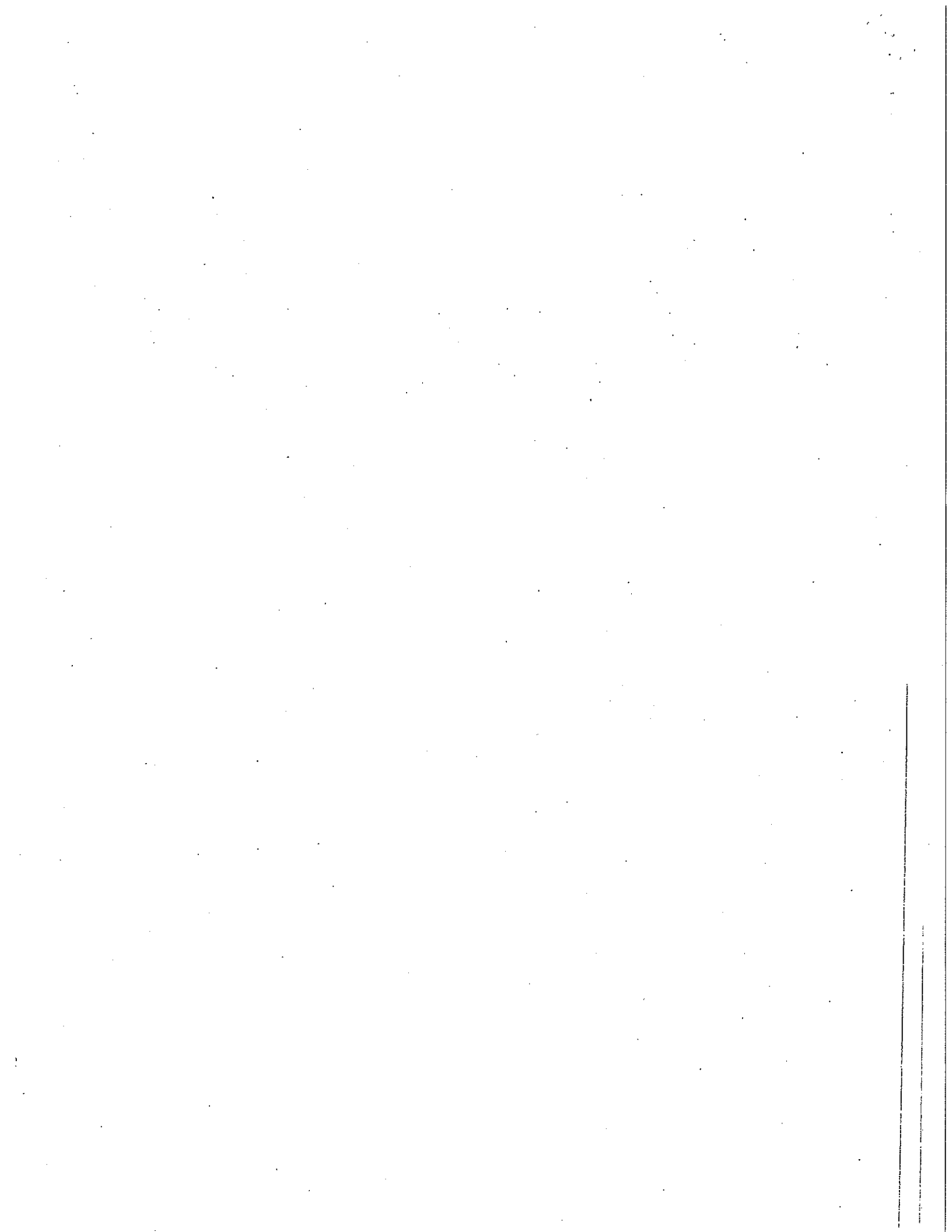
Harassment: *Annoying, alarming or abusing another resident or owner through words, gestures or actions. Also, disturbing, irritating, or causing discomfort to another resident or owner through insulting, hurtful or offensive wrongs or acts.*

Residents and/or owners, guests, occupants and/or lessees shall not engage in any abusive or harassing behavior, either verbal or physical, or any form of intimidation or aggression directed at other owners, residents, guests, occupants or lessees. Nor shall residents and/or owners, guests, occupants and/or lessees direct such abusive or harassing behavior toward management, its agents, its employees, or vendors.



FOURTH WALNUT CREEK MUTUAL
MAINTENANCE AND REPAIR GUIDELINES

Adopted March 7, 2001
Incorporated into Policies Manual 11/22/02



Mutual Responsibility	Resident Responsibility
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Appliances: Dishwashers, Refrigerators, Disposals, Ranges, Ovens, Vents, Hoods, Water Heaters, Fireplaces, etc.

All appliances are the owner's property; all maintenance and repair is the owner's responsibility

Mutual Responsibility	Resident Responsibility
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Carpentry	
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<ul style="list-style-type: none"> • Repairs due to building movement • Repair/adjust all original exterior storage area doors (not including locks) <p><u>N.B.</u> All buildings with cement slab floors are subject to a normal amount of expansion and retraction due to weather changes and the passage of time. This movement may cause cabinet doors to stick, closet doors to malfunction and walls to be less than plumb. This type of damage is considered normal wear and tear and the Mutual is not responsible for its repair or maintenance.</p> <p>Significant vertical or lateral building movement caused by foundation failure, ground movement or other similar extraordinary events, may cause damage that the Mutual would be responsible to repair. The Mutual will determine this on a case-by-case basis.</p>	<ul style="list-style-type: none"> • Repair/adjust exterior manor doors, including front entrance doors • Repair/replace doorbell • Repair/replace weather stripping on exterior doors and windows • Repair/replace exterior door locks • Repair/replace interior doors and hardware • Repair/replace windows, window panes and screens • Repair/replace storm doors • Repair/replace sliding doors and screens • Repair/replace glass in shower doors • Repair/replace loose or broken interior base molding, casing, trim, etc. • Repair/replace floor covering • Repair/replace cabinets and components • Repair plaster cracks resulting from drying, shrinkage, etc.
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Revised 3/17/03; 1/19/09.

Mutual Responsibility	Resident Responsibility
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Electrical (Wiring and Components)	
<ul style="list-style-type: none"> • Replace exterior and interior circuit breaker panels • Repair/replace exterior duplex outlets, including carports • Repair, reset, tighten, or replace exterior and interior circuit breakers or electrical panels • Repair electrical wiring in walls and attic, including doorbell wiring • Repair/replace outside lighting at carports, entryways, walkways, etc., to include changing of light bulbs in inaccessible areas. 	<ul style="list-style-type: none"> • Replace bathroom fan motor and/or heating elements • Repair/replace electrical cords and plugs (standard appliances) • Clean bathroom fans and ducts, kitchen fans and ducts, and dryer fans and ducts • Replace interior wall switches or duplex outlets • Repair exterior lighting fixtures controlled by an interior switch • Replace interior light bulbs, fluorescent tubes, and ballasts • Repair/replace telephone wiring from the user interface device (UID) into the unit • Repair/replace cable TV wiring
<p>Revised 1/20/03; 11/17/03</p>	

Mutual Responsibility	Resident Responsibility
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Heating, Ventilating and Air Conditioning Systems	
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Repair/replace duct systems in the attic spaces	Air conditioners, furnaces and heat pumps are the owner's property; all cleaning, maintenance, adjustments, lubrication, repair and replacement is the owner's responsibility
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Mutual Responsibility	Resident Responsibility
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Landscaping in the Common Area	
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Maintenance of turf areas, ground cover, shrubs, trees, irrigation system and surface drainage	Tree pruning, trimming or removal at request of and for sole benefit of a resident. Requires approval of the Board, affected neighbors and, if required, City of Walnut Creek
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Mutual Responsibility	Resident Responsibility
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Painting	
<ul style="list-style-type: none"> • Exterior surfaces of buildings • Outside surface of exterior doors • Exterior shells of air conditioning and heat pump units • Interior surfaces of manor damaged by rain leaks in structural components that the mutual maintains, e.g., roofs • Interior surfaces of manor damaged by building movement 	<ul style="list-style-type: none"> • Inside surface of exterior doors • Interior surfaces of manor <p><u>Note:</u></p> <ul style="list-style-type: none"> • Mutual dictates color palette for exterior surfaces of buildings, including trim and doors • Patio fences will not be painted
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Mutual Responsibility	Resident Responsibility
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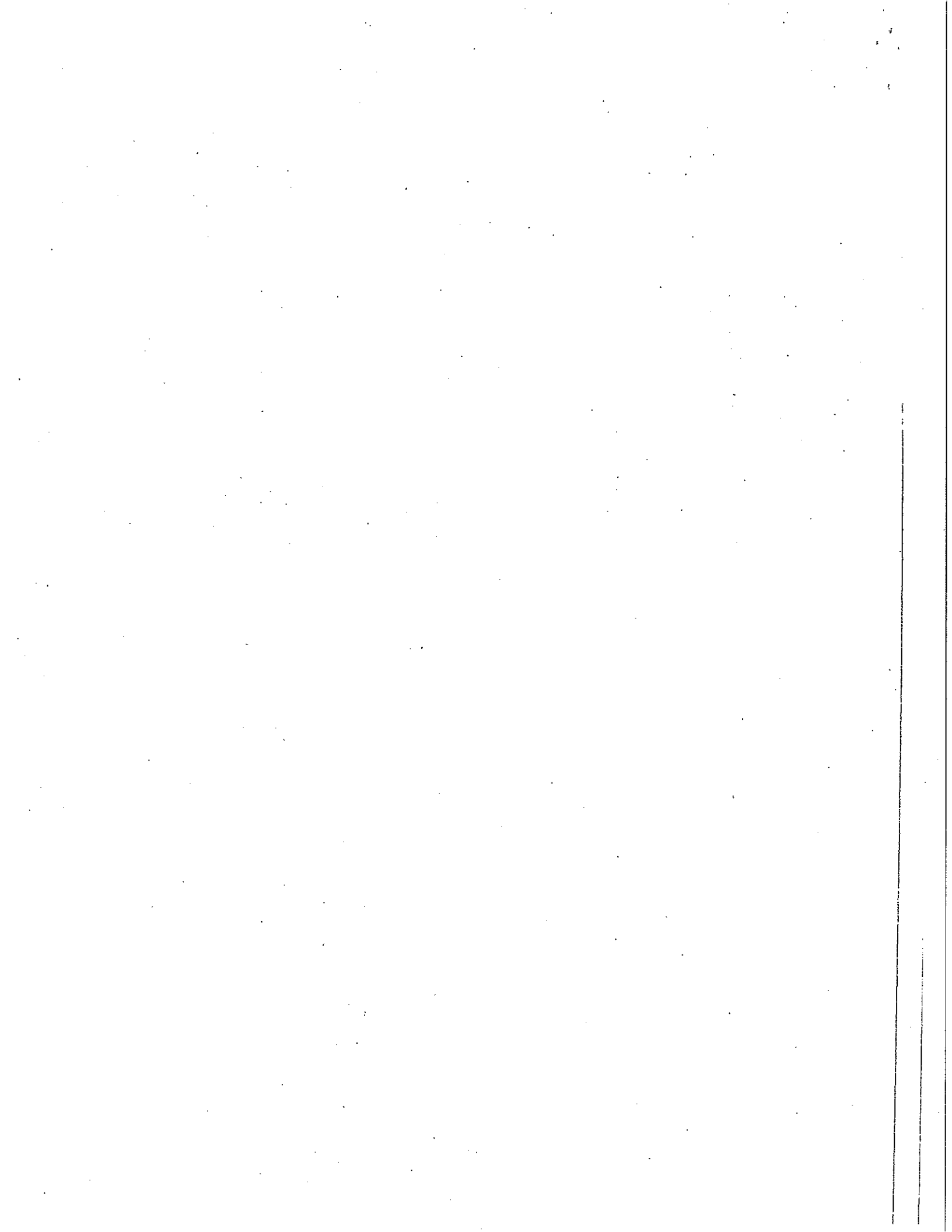
Pest Control (Including Termites)	
<ul style="list-style-type: none">• Interior of buildings to control rodents, ants and other insects• Exterior of buildings, in walls and attics, includes control of weeds, plant diseases, rodents, ants and other insects• Inspection and treatment for wood-eating insects	

Mutual Responsibility	Resident Responsibility
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Plumbing	
<ul style="list-style-type: none"> • Repair leaks or remove stoppages within the wall or attic before the pipe penetrates the surface of the interior wall • Repair/replace outside faucets • Adjust building water pressure regulator • Remove debris from water supply lines, valves and aerators • Install relief valves ("beehives") in waste line <p>Revised 3/17/03</p>	<ul style="list-style-type: none"> • Repair leaks or clear stoppages inside the manor from the point where the pipe leaves the drywall and enters the room • Repair/replace/adjust toilet seats, tank, bowl, valves, wax gaskets, etc. • Repair/replace cracked, crazed, chipped or rusted sinks/basins/tubs/shower pans • Repair/replace traps, pipes, faucets, baskets, seals, etc. • Repair/replace/clean bathtub and sink stoppers or components • Repair/replace kitchen sink, soap dispenser or components • Re-caulk/re-grout bathtub/sink/shower door frames and tracks • Repair/replace water filters • Future installations of stackable or standard washer/dryer systems require installation of braided steel water supply line. At the time of resale, the inspector shall determine the type of connectors installed and will require the seller to upgrade the water supply lines to meet the braided steel standard.

Mutual Responsibility	Resident Responsibility
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Roofs	
<ul style="list-style-type: none">• Replacement and repair of roofs• Replacement and repair of gutters and downspouts, except those on alterations for which resident has retained [maintenance] responsibility	<ul style="list-style-type: none">• Replacement and repair of alteration roofs, gutters and downspouts for which the resident has retained [maintenance] responsibility



FOURTH WALNUT CREEK MUTUAL
CHARGES FOR MAINTENANCE AND REPAIR WORK

Adopted March 7, 2001
Incorporated into Policies Manual 11/22/02

MUTUAL OPERATIONS DIVISION CHARGES FOR MAINTENANCE AND REPAIR WORK

Labor Charge:

The hourly rate for each serviceperson (worker) on a job is calculated from the time they arrive at the manor or place of work until they depart. The labor charge, which is based on current costs and a mark-up for indirect expenses, is reviewed regularly and adjusted when necessary to recover the costs of providing services. A premium is assessed for work done at overtime rates [after hours and on weekends]. Current charges can be obtained by telephoning the Work Order Desk at 988-7650.

Material Charges:

Any materials needed to complete the job are charged in addition to labor.

Responsibility for Payment:

Items designated as *AMutual Responsibility* in Appendix A will be paid by Fourth Walnut Creek Mutual. Items designated as *AResident Responsibility* will be paid by the owner. If resident-billable maintenance or repair is rendered by Mutual Operations Division (MOD), payment is required at the time that service is rendered.

Differences of Opinion:

Order desk personnel advise residents, at the time orders are called in, that some work items "may be billable" to them. Workers also advise residents before commencing work when the work is billable to them. After the worker arrives, if a resident chooses not to have the work performed, the resident will be billed a minimum service charge. If there is a difference of opinion between the worker and resident regarding cost or whether the item is the resident's responsibility, the worker will not commence work, will note "resident refused work" on the work order, and indicate the work is complete. The work order will be processed as usual and the worker's time will be billed as described.