

NOTICE

If this document contains any restriction based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, genetic information, 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.

WALNUT CREEK

MUTUAL NO. SIXTY-FIVE

POLICIES

Adopted: December, 1997

**Revised: April 2002; November 2003, August 2006; September 2009;
October 2009; December 2010; April 2011; July 2016;
July 2017; October 2018**

WALNUT CREEK MUTUAL NO. SIXTY-FIVE

STATEMENT OF POLICIES

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*Revised April, 2002; November 25, 2003; August 23, 2006;
October 27, 2009; December 10, 2010, April 26, 2011; July 19,
2016; July 18, 2017; October 23, 2018*

PREFACE

These policies are furnished to owners, residents and lessees to provide a description of the rules and regulations established by Walnut Creek Mutual No. Sixty-Five (Mutual, Mutual 65, M-65 or Devonshire).

The governing documents of Mutual 65 give the Mutual Board of Directors (Board) the responsibility of developing Rules and Regulations which may be necessary for the management of Mutual 65.

Policies may be changed by the Board when it deems it appropriate. Prior notice does not have to be given to the membership before changes are made to policies by the Board.

These policies are not all-inclusive, and, if they conflict with the Articles of Incorporation, Bylaws and/or Declaration of Covenants, Conditions and Restrictions (CC&RS), the latter take precedence.

Mutual 65 has contracted with the Golden Rain Foundation (GRF) to assist the Board of Directors of Devonshire in the management, operation, maintenance and administration of Mutual 65. The Golden Rain Foundation, as Manager, performs its functions through its Mutual Operations Division (MOD). Any requests for maintenance and repair should be directed to MOD.

If you need assistance:

The following numbers should be used during regular business hours- 8:00 a.m. to 4:30 p.m., Monday through Friday- if you need assistance from the Manager in any of these areas:

Coupon problems	988-7620
Landscaping and irrigation problems	988-7640
Building and pavement problems	988-7650
Alterations and resale inspections	988-7660

Emergencies occurring after business hours and on Saturdays and Sundays should be reported to Public Safety at 939-0693, who will arrange assistance.

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

Any alteration to: the exterior of a building; garage; patio; deck; privacy fence; patio perimeter fence; common area, including placing or installing objects of a permanent nature in the common area; or any other change that affects the structural integrity of a building, is prohibited without the specific prior approval of the Design Review Committee (DRC), which will be composed of the Directors of Mutual 65. All alteration and subsequent maintenance costs are the owner's responsibility, including any incidental residence repair or reconstruction costs that arise because of an alteration.

ALTERATIONS INSIDE A RESIDENCE:

Generally, cosmetic alterations to the interior of a residence do not require the Board's nor the DRC's approval. Interior alterations that affect the structural integrity or safety of the building, such as plumbing alterations, or hard-wired lighting fixtures require the approval of the DRC and the Board. Even if such changes do not require DRC or Board approval, they may require a City of Walnut Creek permit. It would be prudent for owners to consult with the Mutual 65 Building Committee or 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 the Mutual 65 DRC/Board.
2. Obtain an Alteration Agreement from Mutual's Property Manager, GRF's MOD.
3. Submit plans and specifications to the Property Manager and execute the Alteration Agreement, which will be sent to the Mutual 65 Board for approval. The owner must pay the appropriate fee when the Board approves the application.
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.

DESIGN REVIEW COMMITTEE:

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

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

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

Revised August, 2006

BIRD SEED FEEDERS

Bird seed feeders and/or scattering 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.

COMMERCIAL ACTIVITIES

No commercial activities may be conducted in the common area.

If commercial activities are conducted in a residence, 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 comply with applicable zoning laws or governmental regulations and, if required, proper permits, licenses or other governmental authorization are obtained.

COMMITTEES

Standing committees:

The following will be the Mutual's Standing Committees:

- Building Maintenance
- Emergency Preparedness
- Investment
- Landscape Maintenance
- Social

Within one month after the annual meeting, the President will appoint, with Board approval, chairpersons of the Standing Committees to one-year terms. The committee chairpersons will recommend, for Board approval, additional members to serve on their committees.

Committee charters are in Appendix C.

Nominating committee:

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

Special committees:

Other special and ad hoc committees will be appointed, as needed, by the President with Board approval.

DELINQUENCIES

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, putting it in the drop box at the Administration Office in the Gateway Complex, or having a direct charge to your bank account. 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 a \$40.00 late charge. 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" will be recorded with the Contra Costa County 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.

(Continued)

Delinquent assessments (continued):

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.

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, up to \$425, for preparation and recordation of a lien

FINANCIAL ACTIVITIES

Authorization for expenditure of funds:

The Board's approval of an annual operating budget includes authorization for the Manager to commit M-65 funds for budgeted activities, except as noted:

1. Any contract or order totaling more than \$5000 must be submitted to the Board for approval. Manager will use competitive bidding when prudent business dictates and when awarding contracts or orders for amounts estimated to exceed \$5000.
2. Unless specifically exempted in writing to the Manager, non-emergency, Mutual-billable maintenance activities must be approved by a Board member. Upon submittal of a request for such an activity, Mutual Operations will contact a Director for approval. 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 M-65 funds in the event of an emergency.

Social fund:

In order to accept and disburse money for M-65 social activities, the Treasurer will maintain a Social Fund account with a local financial institution in accordance with its signature card and account agreement. The Social Chairman is the primary signature authority on Social Fund account checks and the Treasurer will be the alternate signature authority. Bank statements and other account-related correspondence will be sent to the Treasurer.

Operating fund:

In order to accept and disburse money for M-65 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 amount and all checks written by the Mutual to pay the Mutual's bills to third parties will be made from this "consolidation" account.

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.

(Continued)

Replacement reserve fund (continued):

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

Financial report:

The Mutual contracts with a Certified Public Accountant (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.

GARAGES AND PARKING

Each owner will keep their garage area in a neat and orderly condition. No garage area may be modified or changed to:

- Reduce the number of cars and golf carts it was originally designed to accommodate.

There will not be any modification of a garage that eliminates its primary function of housing motor vehicles. Any proposed alteration or modification of the garage from its initial construction must be submitted to the Mutual 65 Building Maintenance Committee and to the Architectural Control Committee for review and approval.

Residents are required to park their motor vehicles in their garage unless the residents, designated occupants and/or live-in care providers have more than two automobiles and a golf cart. In such a case, the extra vehicle may be parked in the resident's driveway on a temporary basis.

Except as approved by the Board on a case-by-case basis, commercial vehicles in service to a resident may not be parked in their driveways or on the Mutual's streets except for loading and unloading, which may not exceed a maximum of 24 consecutive hours.

Residents must advise their guests to park in their driveway, unless it is full, and then in the "Guest Parking" area. "Guest Parking" spaces are intended for short-term occupancy by residents' guests and other visitors to the Mutual. Of course, there is limited parking on the side of the streets not designated as "Fire Lane".

A resident with two or more vehicles may not use the guest parking spaces for the extra vehicle(s). Trailers, recreational vehicles, boats, commercial type trucks, and similar vehicles may not be parked in residential areas. A recreational vehicle may be parked temporarily in the residential area while being prepared for travel or on return from travel.

The traffic and parking rules for Walnut Creek apply to Rossmoor and are enforced by the Walnut Creek Police Department. In the event of flagrant violations of Mutual 65 parking rules, call Rossmoor Public Safety (939-0693).

GARBAGE CANS

Garbage cans may not be put outside, if they can be seen from the common area, except on the night before and day of garbage pick-up. Garbage cans must be put back out of sight by sundown on the day of garbage pick-up.

GUEST POLICY

No guest may temporarily occupy a manor located within the Walnut Creek Mutual No. Sixty-Five condominium project for more than 75 days in any calendar year.

Guests are only allowed to temporarily occupy a manor if the designated occupant(s) or permitted resident(s) of such manor are also staying in the manor at the same time.

Guests who stay more than 21 days must register at the Administration Office of Golden Rain Foundation of Walnut Creek. Both the Mutual and the foundation must acknowledge each registration.

This Guest Policy was adopted by the Mutual's Board of Directors at a Board meeting hold on December 10, 2010, following notice to the Mutual's membership and consideration of any membership comments as required by Civil Code Section 1357.130.

HEARINGS

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 he/she plans 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 is given the Board members.

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;
- 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.

(Continued)

The hearing (continued):

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

INSURANCE

Mutual 65 contracts with other Mutuals to participate in a deductible allocation agreement on a blanket property insurance policy, excluding the deductible related to earthquake damage. M-65 is responsible for the first \$10,000 of the deductible for damage from a covered occurrence in M-65. M-65 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 M-65'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 residences managed by the Manager are 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 component 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.

INVESTMENT POLICY STATEMENT

Objectives

Walnut Creek Mutual No. Sixty-Five's investment objective is safety of principal while maintaining liquidity and marketability of every investment vehicle utilized. Every investment transaction shall seek to insure that capital losses are minimized, whether it is by default of securities or erosion of market values.

The investment portfolio shall be designed to provide a maximum return for specific periods in anticipation of the potential need for funds. Within this framework, investments are to be "rolled over" at maturity in consideration of safety and cash flow requirements.

The present maximum investment term shall not exceed maturities of five years from the date of purchase. Additionally, assets utilized in the investment portfolio should be prudently invested to assure that a five-year time horizon reflects an appropriate hold time for any given portfolio component.

Types of Investments

Cash management and investment transactions are the responsibility of the Assistant Treasurer, directed by the Mutual No. Sixty-Five Board of Directors. Investments may utilize any of the following instruments and should maintain compliance with any regulatory agencies or agreements.

Assets to be utilized may include the following:

1. **U.S. DIRECT OBLIGATIONS** are assets issued directly by the U.S. Government in the form of treasury instruments and include Treasury bills, notes or bonds of varying maturities. These assets are backed by the full faith and credit of the U.S. Government.
2. **U.S. GOVERNMENT AGENCIES SECURITIES** are debt obligations that result from lending programs of the Federal Government. Issues have de-facto backing of the government, which provide a strong degree of safety. Despite this assurance, these issues are not backed by the full faith and credit of the U.S. Government but are instead relationship backed assets (due to the nature of the obligations as issues of government agencies).
3. **CERTIFICATES OF DEPOSIT** are issues provided by financial institutions of

varying time frames providing higher interests than non-time restricted deposits. Assets normally are backed by FDIC protection to \$100,000.

4. **MONEY MARKET ACCOUNTS** are interest-bearing checking accounts with interest rates normally associated with short-term Treasury Bill rates. Money Market Deposit Accounts may provide for insurance by the Federal Deposit Insurance Corporation (FDIC), or Federal Savings and Loan Insurance Corporation (FSLIC) or are Money Market Deposit Accounts provided by brokerage firms which non-insurance backed organizations, which generally pay slightly higher yields and are insured under the Securities Investor Protections Corporation (SIPC).

Review and Reporting of Investments

The Assistant Treasurer will report quarterly to the Board of Directors in a manner approved by the Board. Any deviation or recommendations for changes in policy, if any, will be presented with these quarterly reports. The policy will be reviewed periodically, by the Board of Directors.

Acceptance and Adoption

This investment policy statement is hereby accepted and adopted (coupled with minutes describing specific details of any investment strategy or Board resolution authorizing the opening of accounts).

LANDSCAPING

Common area:

If an owner wants to change the landscaping in the common area, a proposal [including plans, if applicable] must be submitted to the Mutual Landscape Committee and the Landscape Maintenance Department at Mutual Operations who will ensure that the changes conform with the overall appearance of the Mutual. If applicable, the Mutual may require that the owner get the agreement of other affected residents that they do not object to the change(s) before considering the request for approval.

Any approved landscape change may become the property of the Mutual and be incorporated into its overall landscape design. As a precondition for approving a proposed change, the owner may have to agree to maintain the approved change(s) or contribute to the cost of maintaining the change(s) at a maintenance level satisfactory to the Board. If maintenance does not meet the Board's standards, restoration of the area to its original condition, at the owner's expense, may be required, at the Mutual's discretion. See pages 17-A through 17-E for policies and procedures.

Tree or shrub removal and trimming:

Upon recommendation of the Mutual Sixty-Five Landscape Committee, 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 M-65 Landscape Committee 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.

Walkways:

A resident who wants to put a walkway, including stepping stones, in the common area must submit an alteration application (see page 2), which must be approved by affected neighbors and the Board.

WALNUT CREEK MUTUAL SIXTY-FIVE
LANDSCAPE PLANTING AND MAINTENANCE POLICY
IN COMMON AREA ADJOINING RESIDENCES

Planting of perennial plants and bushes in the common area of Mutual 65 is the responsibility of the Mutual as to areas to be planted, type of plants used and the maintenance thereof. Portions of the common area immediately adjacent to residences have been treated and prepared for shrubs, small trees and other perennial plants. Such areas are not "Exclusive Use Common Areas" (such as patios) and are subject to the rules and restrictions set by the Mutual Board, with advice from the Landscape Maintenance Department of Mutual Operations.

Individual owners may wish to do their own planting in the common area immediately adjacent to their residence, in the planting areas specified for such use and designated by the Mutual Board. Such an area shall be designated as "Personal Garden" and the owners shall follow the attached procedures to have any plantings in such areas properly approved, before planting, and to have the maintenance responsibility clearly defined.

The Landscape Maintenance Department of Mutual Operations shall review plants, shrubs or trees to be planted in the Personal or Mutual garden areas. It shall also set maintenance criteria based on the following:

- (a) Area planted by the Mutual shall be maintained by the Mutual
- (b) Area landscaped by the owner will be maintained by the owner with the Mutual trimming plants growing over sidewalks and header boards and weeding planted area.

Since some residents have planted personal gardens prior to this policy, they shall follow the installation procedures set forth herein so that each owner, Mutual 55 and Mutual Operations will be in agreement as to ongoing responsibilities.

When a personal garden includes "annual" plants, the owner shall be responsible for the care and maintenance of such plants.

Attached are the procedures, application and documents to be used in requesting personal gardens.

WALNUT CREEK MUTUAL SIXTY-FIVE

PERSONAL GARDEN INSTALLATION PROCEDURES

RESIDENT:

- (a) Prepares application received from Landscape Maintenance Department of Mutual Operations
- (b) Submit to Manager of the Landscape Maintenance Department of Mutual Operations

LANDSCAPE MAINTENANCE DEPARTMENT:

- (a) Reviews application
- (b) If not acceptable, application is returned to resident with suggestions for acceptable changes.

MANAGER OF LANDSCAPE MAINTENANCE DEPARTMENT:

- (a) Presents application to Mutual Landscape Committee for review and presentation to the Mutual Board for authorization.

MUTUAL BOARD:

- (a) Authorizes or denies installation

WALNUT CREEK MUTUAL NO. SIXTY-FIVE
PERSONAL GARDEN PERMIT APPLICATION

SECTION I. PERSONAL GARDEN APPLICATION

NAME _____ TELEPHONE NO _____

ADDRESS _____

DESCRIPTION OF INSTALLATION: _____

DRAWING OF INSTALLATION: Show landscape features and paved areas, and identify types of plants and materials to be installed; provide a rough sketch with approximate dimensions. (Use additional sheet if you prefer.)

SECTION II. APPLICANT'S AGREEMENT AS TO MAINTENANCE OF
PERSONAL GARDEN

I have read the Mutual's Personal Garden Regulations and agree to maintain my installation as authorized. I agree to restore the garden in accordance with the Mutual's requirements at my expense in the event I am unable or unwilling to maintain the garden as required. In the event my manor is sold, I agree to obtain approval of the new owner either to accept responsibility for maintaining the garden to the Mutual's standards or to restore the garden as required by the Mutual.

Member _____ Date _____

SECTION III. LANDSCAPE MAINTENANCE DEPARTMENT

The Personal Garden installation described in this application is acceptable subject to the following conditions:

Landscape Maintenance Department Date _____

SECTION IV. MUTUAL 65 LANDSCAPE COMMITTEE. The Committee recommends approval subject to the following conditions:

Chair, Mutual 65 Landscape Committee Date _____

SECTION V. MUTUAL BOARD APPROVAL

The Personal Garden installation described in this document is authorized subject to the following conditions:

President, Walnut Creek Mutual No. Sixty-Five (Date)

INADEQUATE MAINTENANCE COMPLAINT PROCEDURES

ORIGINATION OF INADEQUATE MAINTENANCE REPORTS:

- (a) Landscape Maintenance Department judges Personal Garden maintenance not up to standard of surrounding areas and reports to Mutual Landscape Maintenance Committee.
- (b) Landscape Maintenance Department inspection at the time a manor is sold.*

MUTUAL LANDSCAPE MAINTENANCE COMMITTEE:

- (a) Contacts resident with the Landscape Maintenance Department and requests correction of unsightly or unsatisfactory conditions.
- (b) If resident is unable or unwilling to correct conditions, obtains costs of correction from Landscape Maintenance Department.
- (c) Sends copy of complaints to the Board with recommendation as to action.

MUTUAL BOARD:

- (a) Decides action to be taken; could involve authorizing Landscape Maintenance Department to remedy conditions and send the bill to the resident or, at the time of a manor sale, the escrow account.

* If the Personal Garden is well maintained at the time of the sale of the manor involved, the new owner may accept responsibility for the garden by reading these procedures and signing the "Responsibility Agreement" form on the "Permit Application".

LAUNDRY

Putting clothes racks or drying laundry in the patio area or any other place outside a residence, if visible from the common area, is prohibited.

LEASING

Occupancy other than by owner:

Units are intended to be owner-occupied. No more than five units in M-65 may be leased or rented at any one time. A residence may be rented or leased for periods of up to one year. Requests to rent or lease must be approved by the Board of Directors.

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.

Minimum age requirement:

Per Article II, Section 1, of the CC&Rs, GRF Resident Regulations, the Federal Fair Housing Act and California Civil Code, Section 51.3, at least one lessee must be the minimum age required of a qualifying resident, i.e., 55 years of age.

Procedure for processing leases:

Rental, lease and other occupancy permit forms are available at the GRF Administration Office. Owners must obtain written approval from the M-65 Board before executing a Rental or Lease Agreement.

A copy of GRF's Resident Regulations, M-65 's policies and the governing documents will be given to the lessee [for a fee], who will sign for their receipt.

MAINTENANCE

According to the California Civil Codes that govern condominium living arrangements, certain repair and maintenance activities are the responsibility of the Mutual and others 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 and the Exclusive Use Common Area associated with a unit are the responsibility of the unit owner. Exclusive Use Common Areas are decks, patios and garages. Owners are responsible for the interior maintenance of garages, including the electric chain drive, electronic controller (garage door opener), garage door paneling and the roller guides. The Mutual will maintain and paint the garage's exterior.

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 resident is responsible for their repair or maintenance.

Residents may call Mutual Operations for maintenance items for which the Mutual is responsible, but work cannot be started until Mutual Operations has the approval of a Director for the proposed work.

If the problem involves exterior ants or exterior pathway lighting or an emergency, such as a rain leak or broken sprinkler head, residents may contact MOD directly. These problems do not need the prior approval of a director.

Patios, as Exclusive Use Common Areas, are used primarily as living areas viewed by the public and are also used for decorative flowers and plants. Any objects stored on patios must be concealed from view. No clotheslines, laundry, sports equipment, storage shelves or open storage area allowed on the patios. If something must be covered, use material with a subdued color.

MAINTENANCE OBLIGATION

This policy is to clarify Mutual Sixty-Five's compliance with Civil Code § 1364 (b) (1) that covers maintenance obligation for damage caused by neglect or intentional action or inaction.

Each owner is responsible for maintenance necessitated by the negligent or intentional action or inaction of him/herself, his/her guests, employees and contractors, the occupants of his/her unit (including tenants), and the guests, employees and contractors of these occupants. The Mutual is responsible for maintenance necessitated by the negligent or intentional action or inaction of its employees and contractors.

This means seeing that the exclusive use common areas are maintained and when a problem is observed reporting it to Mutual Operations Division or the Mutual Sixty-Five Board. Even if not noticed or ignored, the owner may be charged for repair costs resulting from not reporting it in a timely manner.

MEETINGS

Members will be advised of scheduled board meetings and are invited to attend.

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 attend 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.

OCCUPANCY

The Mutual's CC&Rs define who may occupy a residence. If a resident wants to hire a "live-in" employee, they should first contact GRF's Administrative Office who will provide a copy of the approved procedure and arrange for a pass to be issued. If a third occupant in a residence 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 M-65's residences 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 GRF's Administrative Office. The Mutual requests that all owners/occupants provide the requested information about those residing in residences to ensure that the Mutual's qualification as a senior retirement community is not jeopardized, and so that Emergency Preparedness Coordinators are aware of occupancy.

OWNER ACCESS TO BOARD 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. The Mutual may charge for the distribution cost. Owner's written requests for copies of minutes should be sent to the Mutual's Board of Directors at 1001 Golden Rain Road, Walnut Creek, CA 94595.

PAINTING

Residents may not paint the exterior surfaces of buildings, including doors.

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

PETS

Unless prohibited by the Board, each owner may keep no more than two dogs or two cats or any reasonable number of birds, fish, turtles, hamsters or other permanently-caged animals, provided that they are not kept, bred or maintained for any commercial purposes, and that they are kept under reasonable control at all times. Keeping and controlling pet animals is expressly subject to any controls or prohibitions that may be adopted by the Board, the Golden Rain Foundation or City of Walnut Creek.

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

When pets are outside the residence, they must be on a leash at all times and the resident is responsible for cleaning up if the pet defecates.

POTTED PLANTS AND PLANT CONTAINERS

Many manors have potted plants and plant containers on the driveways, walkways and patios around the exterior of the home. Because of runoff from watering and fertilizing of the plants, salts and other substances can etch and stain the surface under them (such as concrete, tile, brick, and wood), potted plants and plant containers must have water-tight catch basins of sufficient size under the containers to prevent water overflow and leakage that may cause stains, mildew or dryrot to the surface under them. Stains and leakage from plants in containers on the underlying material may result in the homeowner being held financially responsible for the cleaning, repairing or replacing of the damaged surfaces.

REGULATIONS

Noises, e.g., stereo, organ, radio, television, piano music, or party conversation are to be kept at a level which will not interfere with or be an annoyance to residents in neighboring residences.

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

No vehicle shall be repaired or rebuilt within M-65.

To enforce the Mutual's policies, the Mutual Board may levy a fine, not to exceed \$100 for each offense. If a fine is levied, it may be appealed by the person on whom it was levied at a closed hearing of the Board called for that purpose.

RESALES AND RESALE INSPECTIONS

When an owner completes an "Authorization to Inspect" form and submits the applicable fee, the Mutual will inspect the unit to determine if the owner has damaged Mutual property or has altered Mutual property without the Board's approval.

If the Mutual's property has been damaged, the owner must repair the damage, to the Mutual's satisfaction, immediately.

If there is an unapproved alteration, the owner may:

1. Remove the alteration and return 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.
2. Submit an alteration application to the Board for approval. The owner is responsible for all costs associated with getting the alteration approved.

In addition to the owner's disclosure responsibilities, it is the owner's responsibility to fully disclose to the buyer any pertinent information the Mutual or the Manager, as the Mutual's agent, gives to the owner during the resale process.

SATELLITE DISHES AND TV ANTENNAS

Owners who want to install satellite dishes, TV antennas, wireless cable or any other type of **TV** or broadcast reception device in the common area must submit an alteration application and obtain approval of the DRC and Mutual Board.

To obtain permission to install a satellite dish, antenna, etc., owners must adhere to the following rules:

1. Antennas must be installed in a safe manner, not endangering other residents nor common area components.
2. Owners must accept financial responsibility for maintenance, repair and replacement costs of roofs or other building components affected by the installation.
3. If visible from a street or common area, they must be painted to blend into the surrounding area.

**SENIOR HOUSING RESIDENCY RESTRICTIONS
FOR
WALNUT CREEK MUTUAL NO. SIXTY FIVE**

This document sets forth the Senior Housing Residency Restrictions (the "Senior Housing Policy") for Walnut Creek Mutual No. Sixty Five (the "Mutual") and the Mutual's policy concerning the age of residents, other occupants, and guests at the Walnut Creek Mutual No. Sixty Five condominium project (the "Project").

This Senior Housing Policy is adopted by the Board pursuant to the authority granted in the Mutual's Amended and Restated Declaration of Covenants, Conditions and Restrictions (as amended from time to time, the CC&Rs), the Mutual's Amended Bylaws (as amended from time to time, the "Bylaws"), and in compliance with the 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 Mutual's CC&Rs or 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:
 - (i) 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), or was a person providing primary physical or economic support to the Qualifying Resident,

but not a Permitted Health Care Resident as defined in Section 2.A. above; 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.

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 who is providing that care to the Qualifying Resident but is not a Qualified Permanent Resident as defined in Section 2.B above. 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.

3. Primary Physical Support: Primary Economic Support. 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: (i) a statement from the Qualifying Resident's physician, other medical provider, case worker or social worker about the Qualifying Resident's need for physical support, and (ii) 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 his or her agent may be required to show that (i) the person claiming Qualified Permanent Resident status has independent means and is able to support himself or herself without financial assistance from the Qualifying Resident, and/or (ii) the financial support provided to the Qualifying Resident by such person exceeds the income and other financial support independently received by the Qualifying Resident.

Absent satisfactory proof as outlined above, persons claiming Qualified Permanent Resident status based on the provision of "primary physical support" or "primary economic support" to the Qualifying Resident will be deemed to be Permitted Health Care Residents if they otherwise satisfy the requirements of Section 2.C. below.

4. Generally, at Least One Qualifying Resident Must Permanently Occupy the Manor. Subject to Section 5 below and except as specifically otherwise provided in Sections 6 and 7, each Manor, 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 sections 51.3(h) or section 51.4(b). Persons commencing any occupancy of a Manor must include a Qualifying Resident who intends to reside in the Unit as his or her primary residence on a permanent basis.
5. 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 5, 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 his or her occupancy, residence 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 (90) 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 (90) 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 (90) 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.
6. Burden of Proof. All persons claiming status as a Qualifying Resident, Qualified Permanent Resident, or Permitted Health Care Resident have the burden of providing that they meet the qualifications for the applicable status to the satisfaction of the Board.
7. Guests. Notwithstanding the provisions of Section 3 above, a person under fifty-five (55) years of age may temporarily occupy a Manor provided that he or she 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.

8. 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 his or her occupancy of the Manor provided that the Board of Directors determines that such continued occupancy shall not result in less than eighty percent (80%) of the Manors being occupied contain at least one Qualifying Resident as required by the Federal Act. The provisions of this Section 8 shall not apply to a Permitted Health Care Resident.
9. Cessation of Disability of Certain Qualified Permanent Residents. 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 months' written notice.
10. Termination of Occupancy of Qualified Permanent Residents. Subject to the hearing requirements set forth in this Section 10, the Board may prohibit or terminate the occupancy of any person who is a Qualified Permanent Resident pursuant to Section 2.B. (ii) above (i.e., due to a disability or disabling illness or condition) 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 person(s) shall be entitled to have present at the hearing an attorney or any other person authorized by the affected person(s) to speak on their behalf or assist them in the matter.
11. 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.

12. Age Verification. The Owner of each Manor or such Owner's authorized agent shall certify to the Mutual, in writing, that such Manor is or will be occupied in the manner set forth in these Senior Housing Residency Restrictions. Such certification shall be submitted as follows : (i) when or before the Owner becomes the record Owner of the Manor, (ii) when or before there is any change in the occupants of the Manor, 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 Manor. 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 of comparable reliability containing a birth date.
13. Verification of Status as Qualified Permanent Resident. Where a Manor is occupied by a Qualified Permanent Resident, the Owner or authorized agent of the Owner shall certify to the Mutual, in writing, that such Qualified Permanent Resident does in fact meet the definition of "Qualified Permanent Resident" set forth in Section 2.B. above. Such certification shall be supported by reliable documentation acceptable to the Mutual in its sole discretion, and shall be provided to the Mutual at such times as may be requested by the Mutual.
14. Verification of Status as Permitted Health Care Resident. Where a Manor is occupied by a Permitted Health Care Resident, the Owner or authorized agent of the Owner shall certify to the Mutual, in writing, 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 the Mutual at such times as may be requested by the Mutual.
15. Implementation of Further Senior Housing Restrictions: Amendment. 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 and regulations adopted thereunder, as such statutes, governmental rules and regulations may be amended from time to time.

SMOKE DETECTORS

Residences in Mutual 65 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 and replace batteries, as needed.

WORK SITE RULES

The following rules apply to 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 8:00AM to 5:00PM; 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.
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.
6. Neither put nor store materials in common area or parking spaces.
7. Protect landscaping and paint finishes from all work activities; report any damage to a mutual director.
8. Do not operate radios, etc., so they can be heard outside by residents.

WALNUT CREEK MUTUAL NO. SIXTY FIVE

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 an EVCS and electric wiring and related components necessary to provide electricity sufficient to power approved EVCS installed in (i) Garages and (ii) Common Area parking spaces. It is contemplated that 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 Amended & Restated Declaration of Covenants, Conditions and Restrictions - Walnut Creek Mutual No. Sixty-Five recorded on October 16, 2001 as Document No. 2001-0311734 in the Official Records of Contra Costa County, California (as amended from time-to-time, "Declaration").

B. REQUIREMENTS

1. Any Owner of the Mutual who proposes to install an EVCS ("Applicant") shall:
 - a. Submit an executed "Alteration Agreement" to the Mutual in care of Golden Rain Foundation of Walnut Creek Mutual Operations Division ("MOD");
 - b. Follow the procedures set forth in the section entitled "ALTERATIONS TO MUTUAL COMMON AREAS OR THE EXTERIOR OF A RESIDENCE AND OTHER STRUCTURAL CHANGES" contained at page 2 of the Mutual's Policies;
 - c. Comply with the design review approval requirements set forth in Article VIII of the Declaration (entitled "Design Review"); and
 - d. Obtain Board approval prior to installation of the EVCS.
2. In addition to the submittals required by the Declaration and the section entitled "ALTERATIONS TO MUTUAL COMMON AREAS OR THE EXTERIOR OF A RESIDENCE AND OTHER STRUCTURAL CHANGES" contained at page 2 of

the Mutual's Policies, the following must accompany the fully filled out and executed Alteration Agreement for installation of an EVCS:

- a. 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;
- b. An acknowledgment satisfactory to the Mutual that the Applicant 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; provided, however, that the Applicant shall not be required to maintain a \$1 million homeowner liability coverage policy for an EVCS utilizing an existing National Electrical Manufacturers Association standard alternating current power plug;¹ and
- c. A fully executed EVCS Installation and Maintenance Agreement substantially in the form attached hereto as Exhibit "A" and acceptable to the Mutual, binding Applicant and his or her successors to:
 - i. indemnify and hold harmless the Mutual;
 - ii. if applicable, 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 Applicant.

¹"While many of the Mutual garages contain an existing National Electrical Manufacturers Association standard alternating current power plug, a homeowner shall not be required to maintain a homeowner liability coverage policy for an existing National Electrical Manufacturers Association standard alternating current power plug for an EVCS should a licensed electrician determine that one previously existed, conforms with the current legal requirements and is in proper working condition."

3. Alteration Agreements which include all specified submittals shall be responded to within 60 days of a valid submission.
4. An EVCS may only be installed by the Applicant in Common Area for the exclusive use of such Applicant if installation in the Applicant's Garage is impossible or unreasonably expensive. In such cases, the Mutual shall enter into a license agreement with the Applicant for the use of the space in the Common Area.
5. 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; provided, however, that the Applicant shall not be required to maintain a \$1 million homeowner liability coverage policy for an EVCS utilizing an existing National Electrical Manufacturers Association standard alternating current power plug.
6. The installation shall be performed by a qualified, licensed and insured contractor meeting all the requirements set forth in the Alteration Agreement or otherwise imposed by the Mutual.
7. No electric or hybrid automobile, sports utility vehicle (SUV) or truck may be plugged into any electrical outlet other than a National Electrical Manufacturers Association standard alternating current power plug.
8. If reasonably required by the Mutual, Applicant shall be responsible for the installation of a separate electrical panel or subpanel to accommodate the EVCS that meets the requirements established by state and local laws and the electric automobile manufacturer.
9. The Mutual may, if reasonable, require Applicant to install a separate meter to accommodate the EVCS. The meter, if any, and its installation shall satisfy all applicable requirements, including but not limited to those imposed by Pacific Gas and Electric (PG&E) and governmental authorities. This meter shall be listed in the Applicant's name and all recharging and related expenses billed directly to the Applicant by PG&E.
10. Extension cords from the Manor or a Mutual common area electrical outlet to the EVCS are strictly prohibited.
11. 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.

12. The EVCS shall be installed in a location reasonably acceptable to the Mutual. 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.
13. The Applicant and each successive owner of the EVCS shall pay for all electricity usage associated with the EVCS. If Mutual electricity is used to charge the Applicant's electric or hybrid vehicle, the Board may, by resolution adopted from time to time, establish the rates that will be charged for electricity usage.
14. The Applicant and each successive owner of the EVCS shall be responsible for:
 - a. all costs for damage to the EVCS, Common Area, Garage, other Exclusive Use Common Area and/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, Garage, other Exclusive Use Common Area and/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; provided, however, that said buyer shall not be required to maintain a \$1 million homeowner liability coverage policy for an EVCS utilizing an existing National Electrical Manufacturers Association standard alternating current power plug;
 - 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, Garage, other Exclusive Use Common Area and/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, Garage, other Exclusive Use Common Area and/or Manor 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.
15. Nothing in this Policy shall modify, release or otherwise discharge any rights of the Mutual or obligations of the Owners imposed pursuant to the Declaration, Bylaws, Policies, and applicable law.
16. 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

Walnut Creek Mutual No. Sixty Five ("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 Manor in Walnut Creek Mutual No. Sixty-Five, and is subject to the Amended & Restated Declaration of Covenants, Conditions and Restrictions - Walnut Creek Mutual No. Sixty-Five recorded on October 16, 2001 as Document No. 2001-0311734 in the Official Records of Contra Costa County, California (as amended from time-to-time, "Declaration") and the Mutual's Bylaws and Policies.
2. Applicant has requested permission from the Mutual to install an Electric Vehicle Charging Station (EVCS) in the Garage located at _____, Walnut Creek, CA 94595 [IDENTIFY LOCATION]. 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, and put all potential and successor Owners 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, Garage, other 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 the Garage and other Exclusive Use Common Area) after removal;
 - c. the cost of electricity associated with the EVCS;
 - d. disclosing to prospective buyers the existence of the EVCS and the related responsibilities of the Applicant and successor owners 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; provided, however, that the Applicant shall not be required to maintain a \$1 million homeowner liability coverage policy for an EVCS utilizing an existing National Electrical Manufacturers Association standard alternating current power plug.

5. If applicable, 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, 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 (i) obtain approval from Mutual pursuant to the Declaration, EVCS Policy, other Mutual Policies, and *Civil Code* section 4745 for the installation of the requested EVCS, and (ii) comply with the Declaration, EVCS Policy, other Mutual Policies, and *Civil Code* section 4745.
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

WALNUT CREEK MUTUAL NO. SIXTY FIVE

By

Its

Date

VIOLATION AND FINING POLICY/SCHEDULE OF FINES

1. In General.

This Violation and Fining Policy/Schedule of Fines ("Fine Policy") sets forth the policy of Walnut Creek Mutual No. Sixty Five (the "Mutual") for imposing sanctions and/or fines and the Mutual's schedule of fines for violations of:

- the Amended & Restated Declaration of Covenants, Conditions and Restrictions - Walnut Creek Mutual No. Sixty-Five recorded on October 16, 2001 as Document No. 2001-0311734 in the Official Records of Contra Costa County, California (as amended from time-to-time, the "Declaration"); and
- the Amended & Restated Bylaws of Walnut Creek Mutual No. Sixty-Five adopted by vote of the Mutual's Members on September 10, 2001 (as amended from time-to-time, the "Bylaws"); and
- the Walnut Creek Mutual No. Sixty-Five Policies (as amended from time-to-time, the "Policies").

This Fine Policy, when adopted by the Board, will become a part of the Policies, which constitute "operating rules" as that term is defined in Civil Code section 4340(a).

2. Definitions.

- A. All capitalized terms used herein that are not otherwise defined in this Fine Policy shall have the definitions ascribed to them in the Declaration.
- B. The terms "Fines" and "Monetary Penalties" are interchangeable.
- C. The terms "Owner" and "Member" are interchangeable.

3. Owner's Responsibility.

- A. Under the Declaration, each Owner is a Member of the Mutual, and is responsible for complying with the Bylaws, Declaration and Policies (collectively, the "Governing Documents").
- B. As provided in section 2.7(e) of the Declaration, each Owner shall be fully responsible for informing his or her Residents, members of Owner's Family, contract purchasers, lessees, tenants, servants, employees, guests, invitees and/or licensees of the provisions of the Governing Documents and shall be fully responsible for any violation of the provisions of the Governing Documents by any of the foregoing persons.
- C. Each Owner shall further be fully responsible for the conduct and activities of Owner's pets and the pets of his or her Residents, members of Owner's

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family, contract purchasers, lessees, tenants, servants, employees, guests, invitees and/or licensees.

- D. In the case of violations by persons for whom the Owner is responsible, the Mutual will notify the Owner of the violation.
- E. Any Fines and Special Individual Assessments levied by the Board will be imposed against the Owner and the Owner's Unit.

4. Notice and Hearing.

As prescribed by the Declaration, the Board shall, in the manner prescribed by law, provide the Owner at least fifteen (15) days written notice and an opportunity to be heard at a hearing before the Board prior to (i) imposing a Fine, (ii) levying a Special Individual Assessment, or (iii) imposing another sanction, such as suspending any rights or privileges of membership, including, suspending a Member's status as a "Member in Good Standing" 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 Special Individual 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 Declaration) that an Owner or a person for whom the Owner is responsible under paragraph 3 above has committed a violation of a particular provision of 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; Special Individual Assessments.

- A. Sanctions imposed by the Board may include, but are not limited to, (i) a Fine in accordance with the Schedule of Fines adopted by the Board (see paragraph 9 below), (ii) a Special Individual Assessment, in accordance with section 5.4 of the Declaration, (iii) suspension of a Member's voting rights and/or ability to serve on the Board, and/or (iv) suspension of a Member's status as a "Member in Good Standing."

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- B. Suspension of a Member's rights and privileges shall automatically suspend the rights and privileges, if any, of the Residents, members of Owner's Family, contract purchasers, lessees, tenants, servants, employees, guests, invitees and/or licensees.
- C. If the Mutual is required to spend monies, including but not limited to attorneys' fees, to bring the Owner, the Owner's Unit, or the Residents, members of Owner's family, or other persons for whom Owner is responsible into compliance, the Board may levy a Special Individual Assessment against the Owner and the Owner's Unit, pursuant to section 5.4 of the Declaration.

8. Payment of Fines and Special Individual Assessments.

- A. As provided in section 5.4(b) of the Declaration, Fines and Special Individual Assessments are due and payable to the Mutual within thirty (30) days after the mailing of the Notice of Fine or Special Individual Assessment to the Owner.
- B. Fines and Special Individual Assessments shall be delinquent if not actually received by the Mutual or its designated agent by the forty-fifth (45th) day after mailing of the Notice of Fine or Special Individual Assessment.

9. Schedule of Fines.

- A. The Board of Directors has adopted the following Schedule of Fines, which will be in effect until changed by the Board:
 - First violation: Board may issue a warning or levy a fine of up to **\$50.00**.
 - Second violation of same nature or subject matter: Board may levy a fine of up to **\$100.00**.
 - Third violation and subsequent violations of same nature or subject matter: Board may levy a fine of up to **\$200.00**.
- B. The Board may also, in its discretion and in addition to levying a Fine, impose additional sanctions as authorized by this Fine Policy, the Governing Documents, or applicable law.

10. Penalties in Addition to Corrective Measures.

The imposition of Fines, Special Individual Assessments and other sanctions are not alternatives to Members' compliance with the 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.

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11. Other Remedies.

The Mutual reserves the right to avail itself of any other remedy permitted by law and the Governing Documents and to enforce the provisions of the Governing Documents. These remedies include, but are not limited to, 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.

WALNUT CREEK MUTUAL NO. SIXTY FIVE**ELECTION RULES**

1. General. These Election Rules for Walnut Creek Mutual No. Sixty Five (“Mutual”) are intended to comply with *Civil Code* sections 5100 *et seq.*, 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 which requires approval of the Members; 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.

2. Definitions.

2.1 All capitalized terms that are not otherwise defined in these Election Rules shall have the meanings ascribed to them in the Mutual’s Amended & Restated Declaration of Covenants, Conditions and Restrictions (as amended from time to time, the “Declaration”) or Amended & Restated Bylaws (as amended from time to time, the “Bylaws”), as applicable.

3. Equal Access to Mutual Media and Facilities.

3.1 No candidate or Mutual Member advocating a point of view for purposes related to an election covered by these Election Rules shall be allowed access to any form of Mutual media, including but not limited to the Mutual’s official internet website (if any), and/or bulletin board maintained or utilized by the Mutual for the purpose of posting official Mutual notices (if any), after written ballots are distributed as specified in Section 9.1, below, until the conclusion of the election.

3.2 For each election of Directors, the Mutual may schedule one or more “Meet the Candidates” forums where each Member who is interested in running for the Board may attend and speak to any Mutual members choosing to attend according to procedures which may be established by the Board of Directors.

3.3 For each election subject to these Election Rules, the Mutual may schedule one or more informational forums at which any Member advocating a point of view which is the subject to a pending election may attend and address the attendees according to procedures which may be established by the Board of Directors.

3.4 With the exception of refreshments which may be provided at the assemblies described in Sections 3.2 and 3.3, above, no Mutual funds shall be used for campaign purposes in connection with any election which is subject to these Election Rules.

3.5 Sections 3.1, 3.2 and 3.3, above, specify the manner in which the Mutual shall comply with the legal requirement in *Civil Code* section 5105(a)(1) that “if any candidate or member advocating a point of view is provided access to association media, newsletters, or Internet Web sites during a campaign, for purposes that are reasonably related to that election,

equal access shall be provided to all candidates and members advocating a point of view, including those not endorsed by the Board, for purposes that are reasonably related to the election."

4. Qualifications of Directors and Candidates.

4.1 Only persons who are Members in Good Standing shall be eligible to run for, be elected to, or serve on the Board.

4.2 Directors and candidates for election to the Board shall also satisfy such other qualifications as may be imposed by the Bylaws.

5. Nomination Procedure for Board of Directors.

5.1 Candidates for the Board of Directors shall be nominated as set forth hereafter.

5.2 To the extent not in conflict with the Mutual's Bylaws:

5.2.1 Approximately 90 days before an election of Directors, the Mutual shall send to all Members a solicitation to become a candidate for the Board of Directors by mail, electronic transmission or inclusion of the solicitation in the Rossmoor News or newsletter published by the Mutual;

5.2.2 Approximately 60 days before the pending election of Directors, but in any event, no later than the deadline established by the Mutual, 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). Nominations for candidates wishing to be included on the mailed ballots shall close approximately 60 days prior to the conclusion of the election (but in any event, no later than the deadline established by the Mutual); all nominations to be included in the written ballot must be in writing and delivered to the Inspector(s) of Election approximately 60 days prior to the conclusion of the election (but in any event, no later than the deadline established by the Mutual);

5.2.3 The Inspector(s) of Election shall review (including consultation with the Board of Directors if necessary) all persons so responding for compliance with the qualifications identified in Section 4, above entitled "Qualifications of Directors and Candidates;" and

5.2.4 All qualified persons who timely respond to the Mutual's solicitation shall be candidates for the Board of Directors at the next election.

5.3 Nominated candidates for the Board of Directors may provide a "candidate statement" which the Mutual shall enclose with the voting packet mailed to each Mutual Member. The statement shall not exceed 250 words, and shall be delivered to the Mutual's managing agent in final form approximately 45 days before the scheduled conclusion of the election, but in any event, no later than the deadline established by the Mutual.

5.4 Unless the Bylaws specifically provide otherwise, nominations of candidates for election to the Board of Directors may not be made from the floor at any meeting. **IT SHOULD BE NOTED THAT since Section 6.4(b) of the Bylaws in effect as of the date these Election Rules were adopted specifically permit Members to write in candidates on the ballot for election of Directors, write in candidates are permitted unless and until the Bylaws are amended to prohibit write in candidates.**

5.5 In the event of a vote to elect Directors in conjunction with or following a vote to recall Directors, the timeframe set forth above regarding nominations shall not apply.

6. Cumulative Voting in Elections of Directors. As provided in Section 4.4(d) of the Bylaws in effect as of the date these Election Rules were adopted, cumulative voting in elections of Directors shall not be permitted.

7. Inspector(s) of Election.

7.1 The Board shall appoint one or three Inspectors of Election, who shall perform all functions required by *Civil Code* section 5110, including:

7.1.1 Determine the number of memberships entitled to vote and the voting power of each;

7.1.2 Determine the authenticity, validity and effect of proxies, if any;

7.1.3 Receive and be the custodian of ballots, and direct the location to which ballots shall be sent until tabulated by the Inspector(s) of Election;

7.1.4 Hear and determine all challenges and questions in any way arising out of or in connection with the right to vote;

7.1.5. Count and tabulate all votes;

7.1.6 Determine when the election shall close, with the discretion to extend the deadline for voting as necessary;

7.1.7 Determine the results of the election; and

7.1.8 Report the results of the election to the Board of Directors.

7.2 Eligible Inspectors of Election may include:

7.2.1 The Mutual's managing agent, including its employees;

7.2.2 The Mutual's attorney or CPA;

7.2.3 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

7.2.4 Any other individuals or business entities that are employed by or under contract with the Mutual as well as any individuals or business entities that are not employed by or under contract with the Mutual.

7.3 Unless the Board specifically decides otherwise, the Inspector of Election shall be the Mutual's managing agent or an employee of the Mutual's managing agent at the time of the election.

7.4 The Mutual may, at the discretion of the Board of Directors, provide reasonable compensation to the Inspector(s) of Election.

7.5 The Mutual shall indemnify the Inspector(s) of Election in connection with services performed in good faith by the Inspector(s) of Election related to the election.

7.6 The Inspector(s) of Election shall have the sole authority to determine whether to issue a replacement ballot to a Member if requested by the Member who has not yet returned a completed ballot.

7.7 The Inspector(s) of Election 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 Election pursuant to Section 7.2, above.

8. Voting Rights.

8.1 Each Member's qualifications for voting shall be as specified in the Bylaws and these Election Rules.

8.2 Only Members in Good Standing are entitled to vote in Mutual elections.

8.3 Co-owners of a membership, if otherwise qualified, shall be considered as a single "Member in Good Standing" entitled to vote in Mutual elections.

8.4 Each Mutual membership shall be entitled to a single vote with regard to each matter that is the subject of a pending election.

8.5 With regard to an election of one or more Directors, the Members in Good Standing may cast, with respect to each position on the Board to be filled, one vote for each membership owned.

8.3 The voting period will run from the date on which ballots are distributed (as specified in Section 9.1, below) until the conclusion of the election.

9. Voting Procedures.

9.1 Mailing of voting packets. At least 30 days before the election, the Mutual shall, by first class U.S. mail, send one voting packet to each Mutual Member entitled to vote in the election. Each packet shall contain the following:

9.1.1 One official ballot;

9.1.2 In the case of an election of Directors, copies of all candidates' statements timely received by the Mutual as specified herein;

9.1.3 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 Election, Walnut Creek Mutual No. Sixty Five, and include the return address for the Inspector(s) of Election. The upper left corner of the larger (outer) envelope shall contain spaces for the member's name and mailing address (and identify the Member's account number or manor address if different from the mailing address) and provide a place for the Member's signature;

9.1.4 Instructions on how to use the two-envelope system; and

9.1.5 Notice of the date of the membership meeting or election.

9.2 Ballot Content. Each ballot shall contain the following:

9.2.1 In an election of Directors, each candidate's name listed alphabetically;

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

9.2.3 A statement of when ballots must be returned by mail and/or hand delivery.

9.3 Receipt of Ballots.

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

9.3.2 If so directed by the Inspector(s) of Election, the Mutual's managing agent shall maintain a log of all ballot envelopes received, noting whether the envelopes were signed or unsigned.

9.3.3 Once a ballot has been received by the Inspector(s) of Election, it may not be revoked.

9.3.4 Each ballot received by the inspector(s) of Election 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.

9.3.5 All ballots shall remain in the possession of the Inspector(s) of Election (at a location designated by the Inspector(s) of Election) until tabulated by the Inspector(s) and for one year after the conclusion of the election.

9.4 Proxies. Votes may be cast by proxy only if expressly permitted by the Bylaws. **IT SHOULD BE NOTED THAT Section 4.5(a) of the Bylaws in effect as of the date these Election Rules were adopted expressly permits the use of proxies.**

9.5 Election by Acclamation.

9.5.1 This Section 9.5 shall only apply if election by acclamation is specifically permitted by the Bylaws. **IT SHOULD BE NOTED THAT, as of the date these Election Rules were adopted, the Bylaws do not specifically permit election by acclamation.**

9.5.2 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 shall be declared elected and written notice of the election shall be given to the Members.

10. Tabulation of Ballots.

10.1 The voting packets shall be opened by the Inspector(s) of Election after the close of the election as determined by the Inspector(s). The larger (outer) envelopes and each ballot shall be separately retained by the Inspector(s). The Inspector(s) of Election, or their designees, may verify the Member's information and signature on the larger (outer) envelope prior to the meeting at which ballots are tabulated.

10.2 The voting packet envelopes shall be opened and the ballots tabulated by the Inspector(s) of Election in public at a properly noticed open meeting of the Members or of the Board of Directors.

10.3 Any candidate or other Member of the Mutual may witness the counting and tabulation of the votes. 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 Election may cause the removal of any observer who interferes with or disrupts the counting or tabulation process.

10.4 When the ballots are counted at a membership meeting, the Inspector(s) of Election may announce to the membership those Members who neglected to sign the outer envelope and provide an opportunity for them to do so prior to tabulation of the ballot.

10.5 In the event there is a tie between candidates, a runoff election shall be conducted via secret written ballot in accordance with these Election Rules; however, the procedures set forth above regarding the nomination of candidates shall not apply.

10.6 The results of the election shall be promptly reported to the Board of Directors, shall be recorded in the minutes of the next meeting of the Board of Directors, and shall be available for review by the Members of the Mutual.

11. Post-Election Procedures.

11.1 The results of the election shall be recorded in the minutes of the next meeting of the Board of Directors and shall be available for review by Members of the Mutual.

11.2 The Board of Directors shall publicize the results of the election within 15 days by a communication directed to all Members.

11.3 One (1) year after the conclusion of the election, the Inspector(s) of Election shall transfer custody of all ballots and outer envelopes to the Mutual.

11.4 In the event of a re-count or challenge, the Inspector(s) of Election shall, upon written request, make the ballots available for inspection by the challenging Mutual Member or his or her authorized representative. Any re-count shall be conducted in a manner designed to preserve the confidentiality of the vote.

The foregoing Election Rules were adopted by the Board of Directors of Walnut Creek Mutual No. Sixty Five at an open meeting of the Board held on July 18, 2017, following notice to the Members, the opportunity for Member comment, and Board consideration of the Members' comments, all as required by *Civil Code* section 4360.

OWNER-INITIATED ALTERATIONS SOLAR ENERGY SYSTEMS

This Solar Energy Policy (the "Policy") for Walnut Creek Mutual No. Sixty-Five (the "Mutual") shall govern the installation, maintenance, use, removal, replacement and reinstallation (if necessary) responsibilities pertaining to solar collectors and other solar energy devices and systems whose primary purpose is to provide for the collection, storage and distribution of solar energy (a "Solar Energy System") installed within the Walnut Creek Mutual No. Sixty-Five condominium project (the "Project"), as well as the protection of commonly-owned and Mutual-maintained Common Area.

When adopted by the Board, this Policy will become part of the Mutual's Rules which constitute "operating rules," as that term is defined in Civil Code section 4340(a).

It is the intent of this Policy to comply with all laws and regulations, both state and federal, and in particular, Public Resource Code section 25982, Civil Code section 714, Civil Code section 714.1, and Civil Code section 4746. In the event of any conflict between any provision of this Policy and any applicable statute, the terms of that statute shall prevail and supersede any contrary provision in this Policy.

1. Definitions. All capitalized terms that are not otherwise defined in this Policy shall have the meanings ascribed to them in the Amended & Restated Declaration of Covenants, Conditions and Restrictions of Walnut Creek Mutual No. Sixty-Five, recorded on October 16, 2001, as Document No. 2001-0311734-00 in the Office of the County Recorder of Contra Costa County (the "Declaration").

2. Introduction. Because the Project is a "condominium project," as that term is defined in Civil Code section 4125, each Owner has fee simple title to his or her individual Unit as well as a fractional interest in the Common Area. The Common Area is owned by the Mutual. The Mutual is required by the Declaration to maintain, repair and replace the Common Area roof systems in the Project. It is the intent of this Policy to recognize the respective ownership rights of the Owners and Mutual, and enable the Mutual to perform its exterior maintenance, repair and replacement obligations. As a result, the rights of individuals to install Solar Energy Systems on Common Area roofs or the roofs of the Exclusive Use Common Area garages must be limited to the extent necessary to not infringe upon neighboring Owners' property rights and to enable the Mutual to perform its maintenance, repair and replacement obligations.

3. Alteration Application.

(a) The installation of Solar Energy Systems is subject to the provisions of (i) Article VIII of the Declaration entitled "Design Review," (ii) Exhibit B attached to the Declaration, (iii) this Policy, and (iv) the Mutual's other Policies, including but not limited to the Mutual's Policy 1.0 entitled "Alterations" (the "Alterations Policy"). As such and as required by the Declaration, an Owner wishing to install a Solar Energy System on a Common Area roof of his or her Unit or the roof of an

Exclusive Use Common Area garage assigned to his or her Unit is required to submit an alteration application to the Board or the Architectural Control Committee/Design Review Committee (if appointed), in care of the Mutual Operations Division (MOD) Alterations Department.

(b) Owner must receive written notice of approval by the Board or the Architectural Control Committee/Design Review Committee (if appointed) PRIOR to installation of any Solar Energy System.

(c) Owner shall provide plans and specifications as part of the alteration application, and furnish such other information and documentation as may be reasonably requested by MOD, the Board, and/or the Architectural Control Committee/Design Review Committee.

(d) Owner shall also provide manufacturer literature for all proposed Solar Energy System components, including specifications, color, and materials, with the alteration application.

(e) The plans and specifications provided as part of the alteration application shall include the following:

(i) Plans and specifications clearly indicating where the Solar Energy System will be located, technical specifications and dimensions (i.e., brand, manufacturer, model number, nature, kind, shape, color, height, width, weight, materials, etc.), and structural requirements, as well as photographs depicting the panels and equipment to be installed;

(ii) Plans and specifications showing the visibility of the Solar Energy System from areas open to public access (e.g., streets, Common Area, neighboring Units);

(iii) A solar site survey pursuant to Civil Code section 4746, which contains the following information: (A) shows the placement of the Solar Energy System, (B) contains a determination of total usable area of the Common Area roof or the roof of the Exclusive Use Common Area garage, (C) contains a determination of the maximum number of Solar Energy Systems which can be installed on the Common Area roof or the roof of the Exclusive Use Common Area garage; and (D) contains a determination of the equitable allocation of the total usable area of the Common Area roof or the roof of the Exclusive Use Common Area garage among all Owners sharing the same Common Area roof or the Exclusive Use Common Area garage (if any).

(f) Owner shall notify all Owners sharing the same Common Area roof or Exclusive Use Common Area garage of his or her alteration application for installation of a Solar Energy System and certify to the Mutual, in writing, the names and addresses of those notified and the date of the notification. The

certification and any written comments by an affected Owner shall be attached to the alteration application. No alteration application may be denied because of objections by an affected Owner, but may be used by the Mutual in establishing any reasonable restrictions on the installation of the Solar Energy System. A copy of the solar site survey and a drawing depicting how the equipment will be mounted shall be attached to the notification to affected Owners.

(g) Owners are responsible for confirming receipt of their alteration application, supporting documentation, and other information by the Board or the Architectural Control Committee/Design Review Committee.

(h) Except as modified by law, all provisions of Article VIII of the Declaration, this Policy, and other applicable Policies, including the Alterations Policy, shall apply to the installation of the Solar Energy System.

4. Mutual's Right to Retain Consultant. In reviewing any alteration application for the installation of a Solar Energy System, the Mutual retains the right to have its own solar site survey prepared at Owner's expense. The Mutual also retains the right to hire a consultant, at Owner's expense, to review all information and documentation provided by Owner including, but not limited to, the solar site survey and the plans and specifications as set forth in Paragraph 3(e), above.

5. Leasing of Solar Energy Systems. In the event that the Owner is leasing the Solar Energy System from a third party (rather than purchasing it outright) for installation within the Mutual, the third party Lessor must agree in writing to be subject to any all terms, conditions, restrictions and obligations assumed by the Owner in having the Solar Energy System installed and maintained within the Mutual including, but not limited to, repair, replacement, temporary removal for repairs, and/or permanent removal as appropriate. Owner agrees to reimburse the Mutual for the costs for any legal action, including any attorneys' fees and costs, to enforce the provisions of this Section 5.

6. Availability of Common Area Space. The installation of Solar Energy Systems in or on Common Area, including Common Area roofs or the roofs of the Exclusive Use Common Area garages, is subject to a determination of Usable Solar Space and allocation of Usable Solar Space to the numbers of units in the condominium building. The Usable Solar Space shall be calculated by the solar contractor of the Owner and it shall include a calculation of the square footage available for the Solar Energy System and the equitable allocation for each Unit in the condominium building. Each Owner of a unit in the subject building shall receive a drawing showing the Usable Solar Space and the specific location within that Usable Solar Space to be allocated to the Owner seeking to install the Solar Energy System. Owner may only install a Solar Energy System on the Common Area roof of a building in which his or her Unit is located or the roof of an Exclusive Use Common Area garage assigned to his or her Unit.

7. Insurance Requirements. The Owner of a Solar Energy System and each successive Owner shall be responsible for maintaining a homeowner liability coverage policy at all times with policy limits of at least \$1,000,000 and shall provide the Mutual

with the corresponding certificate of insurance within fourteen (14) days of approval of the alteration application and annually thereafter.

8. Approval Guidelines. The Board or the Architectural Control Committee/Design Review Committee (if appointed) may impose reasonable restrictions on the installation of Solar Energy Systems in the Project. "Reasonable restrictions" are defined as those that do not significantly increase the cost of the Solar Energy System or significantly decrease its efficiency. "Significantly" means an amount exceeding ten percent (10%) of the cost of the Solar Energy System or decreasing the efficiency of the Solar Energy System by an amount exceeding ten percent (10%), as originally specified and proposed. For photovoltaic systems that comply with state and federal law, a significant or unreasonable restriction is one that results in an increased cost to the Solar Energy System as originally specified and proposed of over \$1,000 or a decrease in the Solar Energy System's efficiency in an amount exceeding ten percent (10%) as originally specified and proposed.

9. Conditions for Approval. The Mutual may require as a condition for the approval of a Solar Energy System that each Owner and each successive Owner of the Solar Energy System be responsible for all of the following:

- (a) Costs to repair any damage to the Solar Energy System, the Common Area, the Exclusive Use Common Area, the Unit (if applicable), and/or other Units resulting from the installation, maintenance, use, repair, removal, replacement or reinstallation of the Solar Energy System;
- (b) Costs for the installation, maintenance, use, repair, removal, replacement or reinstallation of the Solar Energy System until it is permanently removed and for the restoration of the Common Area, the Exclusive Use Common Area, the Unit (if applicable), and/or other Units after permanent removal;
- (c) Disclosing to prospective buyers the existence of any Solar Energy System of the Owner and the related responsibilities of the Owner pursuant to this Solar Policy and any applicable law; and
- (d) Recordation of an installation, maintenance and indemnification agreement in a form acceptable to the Mutual, wherein the Owner specifically agrees to defend and indemnify the Mutual, the Golden Rain Foundation of Walnut Creek, and their respective officers, directors, managers, employees and members from and against any and all claims, allegations, litigation, arbitration or judgments resulting in whole or in part from the installation, maintenance, use, removal replacement, or reinstallation of the Solar Energy System. If required, the recordable agreement shall also include all conditions of approval so as to bind future Owners of the Unit.

10. Solar Shade Control. The Board or the Architectural Control Committee/Design Review Committee must take into account the effect on Solar Energy Systems that may result from shade created by trees or shrubs within the boundaries of the Mutual. The

Board or the Architectural Control Committee/Design Review Committee will be guided by the principal of "first in time is first in right." If a tree or shrub was planted before the Solar Energy System was installed, the tree or shrub may grow without regard to its effect on the Solar Energy System. The Mutual shall not be required to prune, or allow pruning, of trees and/or shrubs which were planted before the Solar Energy System was installed. However, trees or shrubs planted after installation of the Solar Energy System may not be allowed to grow so as to cast a shadow greater than ten percent (10%) of the collector absorption area upon that collector surface at any one time between the hours of 10:00 a.m. and 2:00 p.m. local standard time (Public Resources Code section 25982). Pruning needs shall be dictated and determined by the Mutual's landscape or tree experts.

11. Decisions in Writing; Reconsideration. Any decision by the Board or the Architectural Control Committee/Design Review Committee (if appointed) on a proposed Solar Energy System installation must be in writing and, if the proposed Solar Energy System is disapproved, the written decision shall include an explanation of why the alteration application was disapproved and a description of the procedure for reconsideration of the decision by the Architectural Control Committee/Design Review Committee, if applicable. The decision of the Board on a written alteration application is final.

12. Forty-Five Day Approval Period. As provided by Civil Code section 714, a complete alteration application for the installation of a Solar Energy System that is not denied in writing within forty-five (45) days from the date of receipt of the alteration application by the Board shall be deemed approved, unless that delay is a result of a reasonable request by the Board or the Architectural Control Committee/Design Review Committee for additional information.

13. Appeals; Reconsideration by the Board. If a written alteration application for the installation of a Solar Energy System is denied by the Architectural Control Committee/Design Review Committee, Owner is entitled to reconsideration of the decision by the Board at an open Board meeting. The decision of the Board on appeal is final. Owner is responsible for confirming receipt of a request for reconsideration by the Board.

14. Installation Conditions; Permits.

(a) Tubing, piping, and related materials shall be installed so as to be minimally visible and blend into the material to which they are mounted or placed. When not unreasonable to do so, the Solar Energy System shall be colored to blend into the background onto which it is mounted or placed to the greatest extent possible. Panels must be located entirely within a boundary defined by the roof eaves and the roof peaks. Visibility of the underside of the panels shall be minimized from the Common Area. Visibility of any plumbing, wiring, or auxiliary equipment should also be minimized.

- (b) All portions of a Solar Energy System shall be secured in a manner that does not jeopardize the safety or soundness of any structure or the safety of any person within the Project.
- (c) There shall be no penetrations into building structures including, but not limited to, walls, ceilings, floors, windows, and roofs, unless it is absolutely necessary for the installation and operation of the Solar Energy System and/or to avoid an unreasonable increase in the cost of the installation (more than \$1,000 for photovoltaic systems) or an unreasonable decrease in the Solar Energy System's efficiency (more than ten percent (10%) as originally specified and proposed for photovoltaic systems). Any penetrations for wiring or piping for a Solar Energy System shall be properly sealed and waterproofed in accordance with industry standards and applicable building codes in order to prevent moisture penetration and resulting structural damage.
- (d) To ensure the safety of individuals and allow safe access to the Mutual, Solar Energy Systems shall not obstruct access to or from any Unit, walkway, ingress or egress into any area of the Project.
- (e) All installations shall be done in accordance with all City of Walnut Creek, State of California and federal ordinances, regulations and laws including, but not limited to, City of Walnut Creek Development Review Services Information Bulletin No. 1B-025 entitled "Submittal Requirements for Photovoltaic Array Systems or Alternative Energy Systems," as amended from time to time.
- (f) The installing Owner must obtain all necessary permits, authorizations and approvals from local regulating agencies and provide copies thereof to the Mutual. A copy of the final City inspection must also be provided to the Mutual.
- (g) A Solar Energy System for heating water shall be certified as to all system components and the installation thereof by the Solar Rating & Certification Corporation™ or other nationally recognized certification agency.
- (h) A Solar Energy System for producing electricity shall meet all applicable safety and performance standards established by the National Electrical Code, the Institute of Electrical and Electronic Engineers (IEEE), and accredited testing laboratories such as Underwriters Laboratories (UL™) and, where applicable, rules of the Public Utilities Commission regarding safety and reliability.
- (i) All installations of Solar Energy Systems shall be completed so as not to (A) materially harm or damage Common Area, the Exclusive Use Common Area, or other individual Units; (B) void any warranties held by the Mutual or other Owners, including the roof warranty; and/or (iii) impair the integrity of any building or structure.
- (j) In approving the installation of any Solar Energy System, the Mutual is entitled to rely upon the representation of the Owner and/or his or her contractor

that the system fully complies with the safety criteria set forth in this Policy. Should the Mutual later determine that the equipment is not in conformance with such criteria, the Mutual may require the Owner, at his or her sole cost and expense, to remove the Solar Energy System or modify it so that it is in compliance with such criteria.

(k) An Owner may not install a Solar Energy System on his or her own. Installation shall be by a qualified, licensed, and properly insured contractor knowledgeable about installation of Solar Energy Systems or the contractor's registered salesperson knowledgeable in the installation of Solar Energy Systems. Prior to installation, the installer shall have insurance coverage that meets the following minimums: (i) Worker's Compensation with minimum coverage required by California law; and (ii) Contractor's General Liability (including completed operations) with policy limits of at least \$1,000,000. The contractor or the contractor's registered salesperson must, prior to installation, provide copies of certificates of insurance for the above policies and endorsements which name the Owner and the Mutual as additional insureds in the policies.

(l) All installations must be in accordance with the manufacturer's installation specifications and instructions.

15. Installation Period. Once work on the approved Solar Energy System has started, all work must be completed within a reasonable period of time, weather permitting (i.e., no later than ninety (90) days after approval), and must not be a safety hazard to surrounding Units, the Common Area, and/or the Exclusive Use Common Area (e.g., location of supplies or tools used for the installation). In the event that the Owner fails to commence work on an approved Solar Energy System within six (6) months of approval, the approval shall be deemed revoked, and the Owner must submit a new alteration application for the installation of a Solar Energy System.

16. Inspection. The Mutual may inspect a Solar Energy System at any time to ensure compliance with the provisions of this Policy and the alteration application, as approved. Owner shall be responsible for reimbursing the Mutual for any costs incurred by the Association in having the Solar Energy System inspected. If the Mutual determines that the installation is not in accordance with the provisions of the Declaration, this Policy, the Rules, and/or the approved alteration application, the Mutual may require the Owner, at the Owner's expense, to remove or otherwise modify the Solar Energy System to comply with the provisions of this Policy and/or the approved alteration application.

17. Mutual's Increased Maintenance Costs. Owners shall be responsible for any increased costs incurred by the Mutual in maintaining or repairing the Common Area or those portions of a Unit or Exclusive Use Common Area which the Mutual is responsible under the Governing Documents for maintaining or repairing which are caused by the presence of a Solar Energy System.

18. Improper Installation. If a Solar Energy System is improperly installed, the Owner shall be responsible for any costs associated with correcting the installation or relocating the Solar Energy System to another location.

19. Owner's Maintenance Obligations. Owner agrees to regularly maintain the Solar Energy System in good condition and repair. Should Owner fail to maintain the Solar Energy System in good condition and repair, the Mutual may remove the Solar Energy System at the Owner's expense. Unless there is an emergency, the Mutual shall provide the Owner with at least fifteen (15) days advance written notice. The Mutual shall not be responsible for any damage to the Solar Energy System or loss of use due to removal of the Solar Energy System. If the Mutual must remove the Solar Energy System, the Mutual may levy a Special Individual Assessment, as provided in Section 5.4 of the Declaration, to reimburse the Mutual for costs incurred in removing the Solar Energy System, after giving the Owner notice and an opportunity for a hearing in accordance with the Governing Documents. If the Mutual must remove the Solar Energy System, the Mutual shall not be responsible for replacing or reinstalling it. Reinstallation of the Solar Energy System shall be at the Owner's sole cost and expense and shall be in compliance with the Declaration, this Policy, and any other Rules.

20. Mutual's Maintenance Obligations. Owner shall be required to remove the Solar Energy System at his or her own cost or expense if necessary to enable the Mutual to meet its maintenance, repair and/or replacement obligations as imposed by the Declaration and/or California law. Should an Owner fail to remove the Solar Energy System upon the Mutual's request, the Mutual may remove the Solar Energy System at the Owner's expense. Unless there is an emergency, the Mutual shall provide the Owner with at least fifteen (15) days advance written notice. The Mutual shall not be responsible for any damage to the Solar Energy System or loss of use due to removal of the Solar Energy System. If the Mutual must remove the Solar Energy System, the Mutual may levy a Special Individual Assessment, as provided in Section 5.4 of the Declaration, to reimburse the Mutual for costs incurred in removing the Solar Energy System, after giving the Owner notice and an opportunity for a hearing in accordance with the Governing Documents. If the Mutual must remove the Solar Energy System, the Mutual shall not be responsible for replacing or reinstalling it. Reinstallation of the Solar Energy System shall be at the Owner's sole cost and expense and shall be in compliance with the Declaration, this Policy, and any other Rules.

21. Inoperable System/Equipment. If a Solar Energy System becomes inoperable, either by damage or termination of service, the Solar Energy System must be removed from the structure within twenty (20) days after receiving written notice from the Mutual and any and all damage to the Common Area, the Exclusive Use Common Area, the Unit (if applicable), and/or other Units repaired at the Owner's expense.

22. Owner's Liability. Owner assumes all responsibility for any and all damage to his or her Unit, other Units, the Exclusive Use Common Area, and/or the Common Area, and any other property damage and/or personal injury resulting from the installation, maintenance, use, repair, removal, replacement or reinstallation of the Solar Energy System including, but not limited to, roof leaks and damage caused by roof leaks which

are the result of the Solar Energy System. The Mutual may recover from the Owner any expenses it incurs in connection with any violation of this Policy, in any manner provided by law or permitted by the Mutual's Declaration, Rules and Bylaws including, without limitation, imposition of a Special Individual Assessment, as provided in Section 5.4 of the Declaration, against the Owner and his or her Unit to reimburse the Mutual for costs incurred, provided the Owner's liability has been established after notice to the Owner and the opportunity for a hearing in accordance with the Governing Documents.

23. Mutual Not Responsible. The Mutual is not responsible for any accidents or incidents which may occur during installation, maintenance, use, repair, removal, replacement or reinstallation of the Solar Energy System. Additionally, the Mutual is not responsible for the installation, maintenance, use, repair, removal, replacement and/or reinstallation of any Solar Energy System.

24. Resale or Transfer of Owner's Unit. Upon resale or transfer of any Unit which has a permitted Solar Energy System, the buyer or transferee (as the case may be) shall agree in writing to assume all of the Owner's duties and responsibilities as outlined in this Policy. The buyer or transferee's written agreement shall be in a form acceptable to the Mutual and executed by all of the parties before escrow can close and the transfer of the ownership can be legally completed.

25. Removal of Solar Energy System. If a buyer or a transferee does not agree in writing to assume responsibility for the Solar Energy System, the Owner must, prior to the close of escrow, remove the Solar Energy System and restore the area where the Solar System had been located. In particular, any penetration patches must be completely sealed with paintable sealant. The removal must be approved by the Mutual and all costs relating to the removal of the Solar Energy System and restoration of the surrounding area shall be the sole responsibility of the Owner. If the Owner fails to remove the Solar Energy System prior to the close of escrow, the Mutual may remove the Solar Energy System at the Owner's expense.

26. Reimbursement. The Mutual may recover from the Owner any expenses it incurs in connection with any violation of this Policy, in any manner provided by law or permitted by the Declaration including, without limitation, imposition of a Special Individual Assessment, as provided in Section 5.4 of the Declaration, against the Owner and his or her Unit to reimburse the Mutual for costs incurred, provided Owner's liability has been established after giving the Owner notice and an opportunity for a hearing in accordance with the Governing Documents and California law.

27. Failure to Comply with this Policy and Other Governing Documents. An Owner's failure to comply with this Policy and/or any other Governing Documents including, but not limited to, the Declaration and other Mutual Policies, shall be subject to enforcement by the Board pursuant to the Governing Documents and applicable California law.

Mutual Responsibility	Resident Responsibility
<p>Appliances: Dishwashers, Refrigerators, Disposals, Ranges, Ovens, Vents, Hoods, Microwave Ovens, Water Heaters, Fireplaces, etc.</p>	
	<ul style="list-style-type: none">• All appliances are the owner's property; all maintenance and repair is the owner's responsibility

Mutual Responsibility

Resident Responsibility

Carpentry	
<ul style="list-style-type: none">• Repairs due to building movement• Repair/replace mailboxes• Repair/replace patio fencing as originally designed and installed.	<ul style="list-style-type: none">• Repair/adjust exterior 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.• Repair/replace garage door paneling and rollers and guides.• Repair/replace garage door electric chain drive and electronic controller (garage door opener).• Repair/replace wood decks and piling and any damage to house building from the deck.• Repair/replace any patio fence modifications made by the resident.

Mutual Responsibility	Resident Responsibility
Electrical (Wiring and Components)	
<ul style="list-style-type: none"> • Repair/replace exterior duplex outlets • Repair, reset, tighten, or replace exterior and interior circuit breakers and circuit breaker panels • Repair electrical wiring in walls and attic, including doorbell wiring • Repair/replace roof-mounted attic exhaust fans • Repair/replace walkway lighting fixtures and bulbs, including post-mounted lights at street edge • Repair/replace address number and lights. • Install and maintain outlet for cable TV booster unit. 	<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

Mutual Responsibility	Resident Responsibility
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Heating, Ventilating and Air Conditioning Systems	
<ul style="list-style-type: none">• Repair/replace duct systems in the attic spaces	<ul style="list-style-type: none">• Air conditioners, furnaces and heat pumps are the owner's property; all cleaning, maintenance, adjustments, lubrication, repair and replacement is the owner's responsibility

Mutual Responsibility	Resident Responsibility
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Landscaping in the Common Area	
<ul style="list-style-type: none">• Maintenance of turf areas, ground cover, shrubs, trees, irrigation system and surface and sub-surface drainage in the common area	<ul style="list-style-type: none">• Landscaping and irrigation and drainage systems in patio areas• Individual landscaping, approved by Mutual, on or adjacent to common area• Personal garden maintenance

Mutual Responsibility

Resident Responsibility

Painting	
<ul style="list-style-type: none">• Exterior surfaces of buildings, including three walls outside bedroom• 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 and window frames• Interior surfaces of manor <p>Note:</p> <ul style="list-style-type: none">• Mutual dictates color palette for exterior surfaces of buildings, including trim and doors• Patio and party fences will not be painted

Mutual Responsibility	Resident Responsibility
Pest Control (Including Termites)	
<ul style="list-style-type: none">• Exterior of buildings, in walls and attics, includes control of weeds, plant diseases, rodents, ants and other insects• Inspection for wood-eating insects	<ul style="list-style-type: none">• Interior of buildings includes control of rodents, ants and other insects

Mutual Responsibility	Resident Responsibility
Plumbing	
<ul style="list-style-type: none"> • Repair leaks or remove stoppages within the floor-slab, wall or attic • 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 	<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, 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

Mutual Responsibility	Resident Responsibility
Roofs	
<ul style="list-style-type: none">• Replacement and repair of roofs, tiles, gutters and downspouts, except those on alterations	<ul style="list-style-type: none">• Replacement and repair of roofs, gutters and downspouts on alterations

**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 residence 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 "Mutual Responsibility" in Appendix A will be paid by Mutual No. 65. Items designated as "Resident 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.

BUILDING MAINTENANCE COMMITTEE

The Committee is responsible for handling all structural questions of the owners relating to common area, external building and internal alteration issues in accord with established policies and plans. Any matter involving construction, drainage or alterations on any common area should be presented to the Committee before any alteration permit is requested from Mutual Operations Division (MOD).

The Committee reviews its activities with the Board of Directors of the Mutual, and, when necessary, recommends action on policy matters to the Board for approval. The Board will seek the counsel and advice of the Committee on building and drainage-related matters, as such may arise, and establish policy and procedures for handling common area construction, drainage and alteration matters.

The Committee will maintain close liaison with the Mutual Operations Division Building Maintenance Manager and his department. The Chairperson or Vice-Chairperson of the Committee is authorized to respond to Mutual Operations Division's inquiry for approval of a resident's request for repair of a Mutual-billable maintenance item.

EMERGENCY PREPAREDNESS COMMITTEE

The scope of the Committee's activities and responsibilities is set by the overall Emergency Preparedness activities of Rossmoor.

INVESTMENT COMMITTEE

The Committee should be composed of the Mutual's Treasurer, another member of the Board, a member of the Mutual and the Assistant Treasurer. The Mutual President shall name the Chair of the Committee.

The primary function of the Committee is to invest the excess funds of the Operating Budget and all funds in the Reserve Fund in suitable instruments in accordance with the financial investment policy. The Committee shall report quarterly to the Board of Directors on the status of all invested funds. The Committee shall work with the Assistant Treasurer in determining the financial institutions with which it will work in managing the investments.

LANDSCAPE MAINTENANCE COMMITTEE

The Committee is responsible for coordinating all landscape matters, including irrigation, and resolving members' questions in accord with established policies and plans. Any matter *involving* landscape in the common areas and "exclusive use common areas", such as patios and alteration applications relating thereto, shall be reviewed with the Committee prior to any alteration permit being requested from GRF or further action by the member.

The Committee reviews its activities with the Board of Directors and recommends solutions to problems to the Board of Directors for decisions. The Board will seek the counsel and advice of the Committee on landscape and irrigation-related matters, as such may arise, and establish policy and procedures for handling landscape and alteration problems in the common area.

The Committee will maintain close liaison with the Mutual Operations Division Landscape Maintenance Manager, his department and landscape contractors involved in Devonshire's landscape planning and maintenance. Members of the Committee will accompany the Landscape Maintenance Manager or his representative on a monthly walk-through to inspect landscape in all of Devonshire.

SOCIAL COMMITTEE

The Committee is responsible for planning and scheduling such social activities as it deems appropriate. The Committee will prepare the social plans for each year and present such to the Board for approval. The budgeted plans for each function will be reviewed by the Board prior to the event and should result in a break-even result with charges to the members determined at a reasonable level.

Recognizing that funds for each event may be required for deposits on catering contracts and the purchase of supplies before revenue is incoming from members' fees for the event, the Board will arrange a starting fund, not to exceed \$1,000, to be used in such situations. The amount of the revolving funds used shall be replenished as income is received for the event.

**WALNUT CREEK MUTUAL NO. SIXTY-FIVE
RENTAL RULES TO COMPLY WITH CIVIL CODE SECTION 4741**

These Rental Rules ("Rental Rules") for Walnut Creek Mutual No. Sixty-Five ("Mutual") are adopted to clarify, supplement, and, as set forth below, conform to law the cap on the number of rental Condominiums permitted within the Development as set forth in Section 5.5 of the Second Amended and Restated Declaration of Covenants, Conditions and Restrictions of Walnut Creek Mutual No. Sixty-Five ("Declaration") recorded on October 5, 2020 as Document No. 2020-0226933. These Rental Rules are being adopted pursuant to Civil Code section 4355(b)(4), which permits a rule change that is required by law if the Board has no discretion as to the substantive effect of the rule change, because the existing rental cap will be unenforceable as of January 1, 2021 pursuant to Civil Code section 4741(b) and because Civil Code section 4741(f) requires the Mutual to amend its Governing Documents, including its operating rules, to bring them into compliance with the new law. These Rental Rules are intended to comply with Civil Code section 4741.

When adopted by the Board, these Rental Rules will become part of the Mutual's Governing Documents, as that term is defined in the Declaration. These Rental Rules shall supplement, not replace, Article 5 of the Declaration ("Renting or Leasing") with the exception of the approximately 11% (5 Units) rental cap referenced in section 5.5. All capitalized terms in these Rental Rules shall have the same meaning as set forth in the Declaration, unless otherwise clearly indicated.

1. Rental Cap. The approximately eleven percent (11%, or 5 Units) cap on the maximum number of Condominiums that may be rented at any one time within the Development, as set forth in Section 5.5 of the Declaration, is hereby changed to twenty-five percent (25%) to conform to Civil Code section 4741(f).
2. Legacy Status. The date by which legacy status is calculated (as referenced in Section 5.5.1 of the Declaration) shall remain the same: September 29, 2011. This date is the day after the date of recordation for the Declaration in which the rental cap was originally stated and is when the rental cap became effective pursuant to the terms of the Declaration. Preservation of the legacy status date means that any Owner who took title to their Condominium on or before September 29, 2011 shall be entitled to rent without regard to the limitation on the number of authorized rentals ("rental cap").

The foregoing Rental Rules were adopted by the Board of Directors of Walnut Creek Mutual No. Sixty-Five at an open meeting of the Board held on December 16, 2020 pursuant to Civil Code section 4355(b)(4) and are effective as of that date.

Date: December 16, 2020

WALNUT CREEK MUTUAL NO. SIXTY-FIVE

By: Anne Paone, Assistant Secretary
Walnut Creek Mutual No. Sixty-Five