

WALNUT CREEK

MUTUAL NO. TWENTY-TWO

POLICIES

Adopted: December 2, 1997

Revised: April 15, 1998; June 1, 2009; June 13, 2016; Dec. 12, 2017

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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. TWENTY-TWO

STATEMENT OF POLICIES

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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. Twenty-two (Mutual or M-22).

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

DEFINITIONS

Alteration: Any change made by an owner to a component in the common area or exclusive use common area. Alterations must be approved by the Architectural Control Committee and Mutual 22 Board of Directors.

Common Area: The entire Common Interest Development (CID), except for the separate interests [California Civil Code §1351]. Each unit owner has a 1/43rd interest in the common area as tenants in common.

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

Design Review Committee (DRC): The Mutual DRC is appointed by the Golden Rain Foundation (GRF).

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

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

Separate Interest: An individual unit, which is from the interior surface of the perimeter walls, floors, ceilings, windows and doors. There are 43 separate interests or units in Mutual 22.

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

Without submitting an alteration application and getting the approval of the DRC and Mutual 22 Board, no owner may make any alteration to:

- The common area or a common area component; or to
- Exclusive use common area or an exclusive use common area component, if they are maintained by the Mutual

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

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

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

An Alteration Agreement and approval of the Mutual 22 Board is specifically required for the installation or modification of electrical outlets in assigned carports and all upgrades, additions and/or modifications to the assigned carport and/or common area electrical system to accommodate Electric Vehicle Charging Stations and/or recharging of electric or hybrid vehicles. To the extent applicable, compliance with the Electric Vehicle Charging System Policy (see page 11 of these Policies) shall also be required.

Installation of an Electric Vehicle Charging Station (“EVCS”) (as defined in the Mutual’s Electric Vehicle Charging System Policy beginning on page 11 of these Policies) requires an Alteration Agreement and approval of the Mutual 22 Board. Any owner who proposes to install an EVCS shall follow the procedures set forth in the “Alteration Approval Procedure” contained at page 5 of the Mutual’s Policies. Such owner shall also comply with the requirements imposed by the Mutual’s Electric Vehicle Charging System Policy (beginning on page 33 of these Policies).

Installation of electric outlets in assigned carports and/or additions or upgrades to assigned carports and/or the common area electric system to accommodate electric or hybrid vehicles shall be done at the owner’s sole expense and require prior alteration approval. The owner shall follow the procedures set forth below in the section entitled “Alteration Approval Procedure.”

ALTERATIONS THAT HAVE NOT BEEN APPROVED:

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

- Removing the alteration and returning the area to its original configuration [to the Mutual’s satisfaction], including any upgrades necessary to meet the City of Walnut Creek’s building code. The owner is responsible for all costs associated with the removal and restoration.

- Submitting an alteration application to the Board for approval (see Alteration Approval Procedure next). The owner is responsible for all costs associated with getting the alteration approved.

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

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

ALTERATIONS INSIDE A UNIT:

Generally, cosmetic alterations to the interior of a unit 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 appliances (including water heaters, air conditioning units or heat pumps), require the approval of the M-22 DRC. Even if such changes do not require DRC and/or Board approval, they may require a City of Walnut Creek permit. It would be prudent for owners to consult with the M-22 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 M-22 Board.
2. Obtain an Alteration Agreement from the Mutual's Property Manager (P/M), GRF's Mutual Operations Division (MOD).
3. Submit plans and specifications to the P/M and execute the Alteration Agreement, which will be sent to the M-22 DRC for approval. The owner must pay the appropriate fee when the application is approved by the Board.
4. If the alteration requires a building permit from the City of Walnut Creek Building Department, the owner is responsible for obtaining the permit and paying any fees to the city.

BIRD SEED AND OTHER FEEDERS

Scattering bird seed or feeding all other wild, feral or domesticated animals outside is not permitted because it attracts rodents. Also, for the same reason, bird feeders are discouraged and owners will be required to remove them, upon notification by the Mutual, if a problem develops.

BANNING OF OPEN-FIRE BARBEQUES, GRILLS, OR SMOKERS IN MUTUAL 22

All open-fire propane or charcoal barbeques or smokers are banned from use on any mutual 22 manor balcony or patio. This revision is in line with the California Fire Code (CFC) quoted as follows:

California Fire Code (CFC) states that: “all open-flame cooking devices (including charcoal and propane grills) may not be operated on combustible balconies or patios within 10 feet of a combustible structure.”

Storage of charcoal briquettes or propane cylinders is not allowed on mutual manor balconies or patios.

The use of electric grills (i.e., George Foreman, etc.) is allowed for use on any manor balcony or patio.

COMMERCIAL ACTIVITIES

No commercial activities may be conducted in the common area.

If commercial activities are conducted in a unit, 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 is obtained.

COMMITTEES

STANDING COMMITTEES:

The Mutual has no standing committees.

NOMINATING COMMITTEE:

The President, with the approval of the Board, will appoint annually a Nominating Committee that will propose a candidate(s) for each vacancy on the Board of Directors that will be voted on at the Annual Meeting. Additionally, any qualified member may nominate himself/herself.

SPECIAL COMMITTEES:

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

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, or putting it in the drop box at the Administration Office in the Gateway Complex. 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 \$20.00 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.

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

ELECTRIC VEHICLE CHARGING STATION POLICY

A. GENERAL

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).

It is the policy of the Mutual to comply with Civil Code section 4745 by approving, whenever reasonably possible, applications for the installation of EVCS and electric wiring and related components necessary to provide electricity sufficient to power approved EVCS installed in (i) assigned carports and (ii) Common Area parking spaces. Such installation would provide “hard wire” connections to EVCS as opposed to providing for plug outlets to supply power to portable charging devices.

All capitalized terms that are not otherwise defined in this Policy shall have the meanings ascribed to them in the Amended Declaration of Covenants, Conditions and Restrictions of Walnut Creek Mutual No. Twenty-Two (as amended from time-to-time, “Declaration”).

B. REQUIREMENTS

Any Owner of the Mutual who proposes to install an EVCS (“Applicant”) shall:

Submit an executed “Alteration Agreement” to the Mutual in care of Golden Rain Foundation of Walnut Creek Mutual Operations Division (“MOD”);

Follow the procedures set forth in the “Alteration Approval Procedure” contained at page 4 of the Mutual’s Policies;

Comply with the architectural approval requirements set forth in Article 9 of the Declaration (entitled "Architectural and Landscape Control"); and

Obtain Board approval prior to installation of the EVCS.

In addition to the submittals required by the "Alteration Approval Procedure" contained at page 4 of the Mutual's Policies, the following must accompany the fully filled out and executed Alteration Agreement for installation of an EVCS:

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;

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; and

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:

indemnify and hold harmless the Mutual;

if applicable, continue the \$1 million liability insurance and additional insured endorsement in effect;

pay for the electricity usage associated with the EVCS;

be responsible for costs of damage to the EVCS and related property from the installation, maintenance, repair, removal or replacement of the EVCS;

be responsible for costs of maintenance, repair and replacement of the EVCS; and

disclose to prospective buyers the existence of the EVCS and the related responsibilities of the Applicant.

Alteration Agreements which include all specified submittals shall be responded to within 60 days of a valid submission.

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 assigned carport or other Exclusive Use Common Area parking space 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.

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.

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.

No electric or hybrid automobile, sports utility vehicle (SUV) or truck may be plugged into any unmodified electrical outlet in any carport or Manor.

If 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.

The Mutual may 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.

Extension cords from the assigned carport, Manor or Mutual electrical outlet to the EVCS are strictly prohibited.

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.

The EVCS shall be installed in a location 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.

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.

The Applicant and each successive owner of the EVCS shall be responsible for:

all costs for damage to the EVCS, Common Area, Exclusive Use Common Area or Manor resulting from the installation, maintenance, repair, removal, replacement or existence of the EVCS;

all costs for the installation, operation, maintenance, repair and replacement of the EVCS and all additions or modifications to existing Mutual electrical components until the EVCS has been removed and for the restoration of the Common Area, Exclusive Use Common Area or Manor after the removal;

disclosing to prospective buyers the existence of the EVCS and the related responsibilities that said buyer will assume, including;

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;

the obligation to pay for the electricity usage associated with the EVCS;

responsibility for all costs for damage to the EVCS, Common Area, Exclusive Use Common Area or Manor resulting from the installation, maintenance, repair, removal, replacement or existence of the EVCS;

responsibility for the cost of the maintenance, repair and replacement of the EVCS until it has been removed and for the restoration of the Common Area, Exclusive Use Common Area and/or Manors after the removal; and

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.

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.

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. Twenty-Two (“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:

Applicant is the record owner of a Manor in Walnut Creek Mutual No. Twenty-Two, and is subject to the Amended Declaration of Covenants, Conditions and Restrictions of Walnut Creek Mutual No. Twenty-Two (as amended from time-to-time, “Declaration”) and the Mutual’s Bylaws and Policies.

Applicant has requested permission from the Mutual to install an Electric Vehicle Charging Station (EVCS) in [IDENTIFY LOCATION, for example, Carport Space No. ____]. Mutual has adopted an Electric Vehicle Charging Station Policy (“EVCS Policy”) in compliance with Civil Code section 4745 which imposes reasonable conditions for the approval of such applications.

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.

Civil Code section 4745 calls for Applicant “and each successive owner of the charging station” to be responsible for the following:

all costs for damage to the EVCS, Common Area, Exclusive Use Common Area, or Manor

resulting from the installation, operation, maintenance, repair, removal, replacement or existence of the EVCS;

all costs for the maintenance, repair and replacement of the EVCS until it has been removed, and for the restoration of the Common Area (including Exclusive Use Common Area) after removal;

the cost of electricity associated with the EVCS;

disclosing to prospective buyers the existence of the EVCS and the related responsibilities of the Applicant and successor owners under law; and

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.

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.

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.

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.

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.

The Parties and their successors agree to be bound and abide by all provisions of Civil Code section 4745 and any successor statutes.

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.

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. TWENTY-TWO

By

Its

Date

FINANCIAL ACTIVITIES

AUTHORIZATION FOR EXPENDITURE OF FUNDS:

The Board's approval of an annual operating budget includes authorization for the Property Manager (P/M) to commit M-22 funds for budgeted activities, except as noted:

1. Contracts and orders over \$5000 must be submitted to the Board for approval. P/M will use competitive bidding when prudent business dictates and when awarding contracts or orders for amounts estimated to exceed \$5000.
2. Unless specifically exempted in writing to the P/M, non-emergency, mutual-billable building maintenance activities must be pre-approved by a Board member. Items approved between Board meetings will be brought to the attention of the Board at the next meeting.

In the absence of a Board member, the Director of Mutual Operations is authorized to expend M-22 funds in the event of an emergency.

OPERATING FUND:

In order to accept and disburse money for M-22 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.

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 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.

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 they plan to bring legal counsel to the hearing.
- If a quorum of the directors fails to attend the hearing, the matter will be heard at the next succeeding regular or special board meeting at which a quorum attends, with the member receiving the same notice as given Board members.

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.

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

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

INSURANCE

M-22 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-22 is responsible for the first \$10,000 of the deductible for damage from a covered occurrence in M-22. M-22 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-22's share of this contribution in the event of a loss covered under this agreement without the Board's approval. Notice of a withdrawal under this provision will be made to the Board as soon as possible after an occurrence.

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

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

If an owner's property is damaged by the failure of a building 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.

INVESTMENTS

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

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

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

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

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 Board, who will ensure that the changes conform to the overall appearance of the Mutual. If applicable, the Mutual may require that the owner get the agreement of other affected unit owners that they do not object to the change(s) before considering the request for approval.

Any approved landscape change will 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.

TREE OR SHRUB REMOVAL AND TRIMMING:

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

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

Residents may not top, prune, or cut any tree or shrub; requests to have such work done by the Mutual, must be submitted to the Board in writing. The request should include separate statements from neighbors that will be affected by the topping, pruning, removal, etc., which 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 pages 1-2), which must be approved by affected neighbors and the Board.

LAUNDRY

Putting clothes racks or clothes lines in the patio area or any other place outside a manor is prohibited.

LEASING

OCCUPANCY OTHER THAN BY OWNER:

Units are intended to be owner-occupied. No more than three units in M-22 may be leased or rented at any one time. A manor 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.

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-22 Board before executing a Rental or Lease Agreement. Approval may be requested by submitting a Request to Lease form to the GRF Member Services Department.

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

A copy of GRF's Resident Regulations, M-22's policies, and the governing documents will be given by the owner to the lessee, who will sign for their receipt. A document fee may be charged.

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.

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

Mutual-billable maintenance items, except for emergency items, have to be approved by a director before MOD responds.

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

MEETINGS

The Board will permit any Mutual member to speak at any regular Board meeting, special Board meeting or regular or special member meeting.

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 or offensive to any person in attendance.

OCCUPANCY

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

To remain a qualified senior retirement community, 80% or more of M-22's units must be occupied by at least one person who is at least 55 years old. Information about qualified permanent residents and care providers is available from Member Services. The Mutual asks that all owners/occupants provide the requested information about those residing in manors to ensure that the Mutual's qualification as a senior retirement community is not jeopardized.

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 if they reimburse the Mutual 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. The maintenance of doors and windows is the owner's responsibility, but their color must be approved by the Mutual. The Mutual may paint these items when it paints the buildings.

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

PARKING

Except as approved by the Board on a case-by-case basis, trailers, campers, boats, RVs and trucks used for commercial purposes may not be parked on the streets or in the driveways of M-22 except for a 24-hour loading or unloading period. If this rule is violated, the Mutual may assess a \$100 fine for each 24-hour period that the rule is violated.

PETS

Unless prohibited by the Board, each owner may keep no more than two dogs and/or two cats or any reasonable number of birds, goldfish, 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.

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 manor, they must be on a leash at all times and the resident is responsible for cleaning up if the pet defecates.

REGULATIONS

Noises, such as 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 manors.

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

No motor vehicle shall be repaired or rebuilt within M-22.

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.

The Golden Rain Foundation prohibits their employees from residing in a Rossmoor Mutual. M-22 prohibits the employment of residents by the Mutual.

RESALES AND RESALE INSPECTIONS

When notified that a M-22 manor is going to be sold, 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, or disclose to and ensure that the buyer accepts financial responsibility for future maintenance costs.

If there is an unapproved alteration, the owner may:

1. Remove the alteration at his/her/their expense 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 (see pages 3-4).

It is the owner's responsibility to fully disclose to the buyer any pertinent information the Mutual or the P/M, 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 or on common area components must submit an alteration application (see pages 3-4) and obtain approval of the DRC and Mutual Board. This requirement also applies to installations on exclusive use common area that is maintained by the Mutual, such as decks and balconies.

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 or 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.

SMOKE DETECTORS

Manors in M-22 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 8:00 AM to 5:00 PM; 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 a manor.

WALNUT CREEK MUTUAL NO. TWENTY-TWO
MAINTENANCE AND REPAIR GUIDELINES

Adopted: March 7, 2001

Revised: June 1, 2009; June 13, 2016

Mutual Responsibility	Resident Responsibility
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Appliances: Dishwashers, Refrigerators, Disposals, Ranges, Ovens, Vents, Hoods, Water Heaters, Fireplaces, etc.	
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	All appliances are the owner's property; all maintenance and repair is the owner's responsibility
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Mutual Responsibility	Resident Responsibility
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Carpentry	
<p>Repairs due to building movement</p> <p><u>N.B.</u></p> <p>All buildings with cement slab floors are subject to a normal amount of expansion and retraction due to weather changes and the passage of time. This movement may cause cabinet doors to stick, closet doors to malfunction and walls to be less than plumb. This type of damage is considered normal wear and tear and the Mutual is not responsible for its repair or maintenance.</p> <p>Significant vertical or lateral building movement caused by foundation failure, ground movement or other similar extraordinary events, may cause damage that the Mutual would be responsible to repair. The Mutual will determine this on a case-by-case basis.</p>	<ul style="list-style-type: none"> · Repair/adjust exterior 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.

Mutual Responsibility	Resident Responsibility
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Electrical (Wiring and Components)	
<ul style="list-style-type: none"> · Replace exterior and interior circuit breaker panels, except when such repair or replacement is done to accommodate an Electric Vehicle Charging Station (EVCS) or the charging of electric or hybrid vehicles. · Repair/replace exterior duplex outlets, including carports, except when such repair or replacement is done to accommodate an Electric Vehicle Charging Station (EVCS) or the charging of electric or hybrid vehicles. · Repair, reset, tighten, or replace exterior and interior circuit breakers or electrical panels, except when such repair, resetting, tightening or replacement is done to accommodate an Electric Vehicle Charging Station (EVCS) or the charging of electric or hybrid vehicles. · Repair electrical wiring in walls and 	<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 · Repairs required because of resident negligence, act, or omissions. · Any electrical work done to accommodate an Electric Vehicle Charging Station (EVSC) or the charging of electric or hybrid

Mutual Responsibility	Resident Responsibility
attic, including doorbell wiring	vehicles.

Mutual Responsibility	Resident Responsibility
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Heating, Ventilating and Air Conditioning Systems	
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Repair/replace duct systems in the attic spaces	Air conditioners, furnaces and heat pumps are the owner's property; all cleaning, maintenance, adjustments, lubrication, repair and replacement is the owner's responsibility
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Mutual Responsibility	Resident Responsibility
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Landscaping in the Common Area	
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Maintenance of turf areas, ground cover, shrubs, trees, irrigation system and surface drainage	Tree removal at request of and for sole benefit of a resident. Requires approval of the Board, affected neighbors and, if required, City of Walnut Creek
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Mutual Responsibility	Resident Responsibility
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Painting	
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<ul style="list-style-type: none"> · Exterior surfaces of buildings · Outside surface of exterior doors · Exterior shells of air conditioning and heat pump units · Interior surfaces of manor damaged by rain leaks in structural components that the mutual maintains, e.g., roofs · Interior surfaces of manor damaged by building movement 	<ul style="list-style-type: none"> · Inside surface of exterior doors · Interior surfaces of manor <p><u>Note:</u></p> <ul style="list-style-type: none"> · Mutual dictates color palette for exterior surfaces of buildings, including trim and doors · Patio fences will not be painted
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Mutual Responsibility	Resident Responsibility
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Pest Control (Including Termites)	
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<ul style="list-style-type: none">· Interior of buildings to control rodents, ants and other insects· Exterior of buildings, in walls and attics, includes control of weeds, plant diseases, rodents, ants and other insects· Inspection and treatment for wood-eating insects	
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Mutual Responsibility	Resident Responsibility
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Plumbing	
<ul style="list-style-type: none"> · Repair leaks or remove stoppages within the wall or attic before the pipe penetrates the surface of the interior wall · Repair/replace outside faucets · Adjust building water pressure regulator · Remove debris from water supply lines, valves and aerators · Install relief valves ("beehives") in waste line 	<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
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Roofs	
<ul style="list-style-type: none"> · Replacement and repair of roofs · Replacement and repair of gutters and downspouts, except those on alterations for which resident has retained [maintenance] responsibility 	<ul style="list-style-type: none"> · Replacement and repair of alteration roofs, gutters and downspouts for which the resident has retained [maintenance] responsibility

**MUTUAL OPERATIONS DIVISION
CHARGES FOR MAINTENANCE AND REPAIR WORK**

Labor Charge:

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

Material Charges:

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

Responsibility for Payment:

Items designated as "Mutual Responsibility" in Appendix A will be paid by Mutual No. 22. 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.