

## Appendix A

### SENIOR HOUSING RESIDENCY RESTRICTIONS

This addendum sets forth the Senior Housing Residency Restrictions (the "Senior Housing Policy") for Walnut Creek Mutual No. Twenty-Eight (the "Mutual") and the Mutual's policy concerning the age of residents, other occupants, and guests at the Walnut Creek Mutual No. Twenty-Eight condominium project (the "Project"). This Senior Housing Policy is adopted by the Board pursuant to the Mutual's Declaration of Covenants, Conditions and Restrictions (as amended from time to time, the "CC&Rs") and the Mutual's Bylaws (as amended from time to time, the "Bylaws"), and in compliance with applicable federal and California law. This Senior Housing Policy was adopted by vote of the Board of Directors on May 20, 2002 and is effective immediately.

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

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

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

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

(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 person providing primary physical or economic support to the Qualifying Resident; or

(ii) The person is a disabled person (defined as a person who has a disability as defined in Civil Code section 54(b)) or person with a disabling illness or injury (defined as an illness or injury which results in a condition meeting the definition of a disability set forth in Civil Code section 54(b)) who is a child or grandchild of the Qualifying Resident or a Qualified Permanent Resident who needs to live with the Qualifying Resident or Qualified Permanent Resident because of the disabling condition, illness

or injury.

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

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

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

3. Generally, at Least One Qualifying Resident Must Permanently Occupy the Unit. Subject to Section 4 below and except as specifically otherwise provided in Sections 5 and 6, each Unit, if occupied, must be occupied by at least one (1) Qualifying Resident and all other persons occupying a Unit must be Qualified Permanent Residents or, as specified below, a Permitted Health Care Resident, or a person under fifty-five (55) years of age whose occupancy is permitted under California Civil Code section 51.3(h) or section 51.4(b). Persons commencing any occupancy of a Unit must include a Qualifying Resident who intends to reside in the Unit as their primary residence on a permanent basis.

4. Occupancy by Permitted Health Care Residents. A Permitted Health Care Resident may occupy a Unit during any period that the Permitted Health Care Resident is actually providing live-in, long-term, or hospice health care to a Qualifying Resident for compensation. For the purposes of this Section 4, the term "compensation" shall include the provision of lodging and food in exchange for care. A Permitted Health Care

Resident shall be entitled to continue occupancy, residency or use of the Unit in the absence of the Qualifying Resident from the Unit only if both of the following apply:

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

B. The absent Qualifying Resident, or an authorized person acting for the Qualifying Resident, submits a written request to the Board stating that the Qualifying Resident desires that the Permitted Health Care Resident be allowed to remain in order to be present when the Qualifying Resident returns to reside in the Project.

5. Guests. Notwithstanding the provisions of Section 3 above, a person under fifty-five (55) years of age may temporarily occupy a Unit provided that such person is a guest of the Qualifying Resident or a Qualified Permanent Resident and further provided the temporary occupancy of any one such guest may not exceed a maximum of sixty (60) days in any calendar year, which may be extended with prior approval of the Board.

6. Continued Occupancy by Qualified Permanent Resident. Written notice shall be provided to the Mutual by the Owner or Owner's agent within thirty days (30) of the death or dissolution of marriage, or hospitalization or other prolonged absence of the Qualifying Resident. Notwithstanding the provisions of Section 3 above, upon the death or dissolution of marriage, or upon hospitalization, or other prolonged absence of the Qualifying Resident, any Qualified Permanent Resident shall be entitled to continue to occupy the Unit provided that the Board of Directors determines that such continued occupancy shall not result in less than eighty percent (80%) of the Units being occupied by at least one Qualifying Resident as required by the Federal Act. The provisions of this Section 6 shall not apply to a Permitted Health Care Resident.

7. Cessation of Disability. For any resident who is a Qualified Permanent Resident pursuant to Section 2.B(ii) above, whose disabling condition ends, the Board may require the formerly disabled resident to cease residing in the Project upon such resident's receipt of six (6) months' written notice.

8. Termination of Occupancy of Qualified Permanent Residents. Subject to the hearing requirements set forth in this Section 8, the Board may prohibit or terminate the occupancy of any person who is a Qualified Permanent Resident pursuant to Section 2.B(ii) above if the Board finds, based on credible and objective evidence, that the person is likely to pose a significant threat to the health or safety of others that cannot be ameliorated by means of a reasonable M28 accommodation.

A. The Board must provide thirty (30) days' 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.

A. 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.

B. The affected persons shall be entitled to have present at the hearing an attorney or any other person authorized by the affected persons to speak on their behalf or assist them in the matter.

9. Publication and Adherence to Policy. In compliance with the Federal Act, the Mutual shall publish and adhere to this Senior Housing Policy setting forth the Mutual's Senior Housing Residency Restrictions which demonstrate that the Project is intended, and operated for, occupancy by Qualifying Residents. The Mutual shall also comply with the federal rules and regulations for verification of occupancy adopted pursuant to the Federal Act.

10. Burden of Proof. All persons claiming status as a Qualifying Resident, Qualified Permanent Resident or Permitted Health Care Resident have the burden of proving that they meet the qualifications for the applicable status to the satisfaction of the Board.

11. Age Verification. The record owner of the membership in the Mutual or such owner's agent shall certify to the Mutual that such Unit is or will be occupied in the manner set forth in these Senior Housing Residency Restrictions (i) when or before the Member becomes the record owner of a membership in the Mutual, (ii) when or before there is any change in the occupants of the Unit, and (iii) at such other times as may be requested by the Mutual. Such certification shall be supported by reliable documentation of the age of each of the occupants of such Unit. The following documents are M28 acceptable as proof of age:

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

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

reliable documentation M28 acceptable to the Mutual. The following documents are M28 acceptable as proof of residency:

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

13. Verification of Status as Qualified Permanent Resident. Where a Unit is occupied by a Qualified Permanent Resident, the record owner of the membership in the Mutual or such owner's authorized agent shall certify to the Mutual, upon Mutual's request, that such Qualified Permanent Resident does in fact meet the definition of "Qualified Permanent Resident" set forth in Section 2.B. above. Such certification shall be supported by reliable documentation M28 acceptable to the Mutual in its sole discretion and shall be provided to Mutual (i) before the Qualified Permanent Resident takes occupancy, and (ii) at such other times as may be requested by the Mutual.

14. Verification of Status as Permitted Health Care Resident. Where a Unit is occupied by a Permitted Health Care Resident, the record owner of the membership in the Mutual or such owner's authorized agent shall certify to the Mutual, upon Mutual's request, that such Permitted Health Care Resident does in fact meet the definition of "Permitted Health Care Resident" set forth in Section 2.C. above. Such certification shall be supported by reliable documentation M28 acceptable to the Mutual in its sole discretion and shall be provided to Mutual (i) before the Permitted Health Care Resident takes occupancy, and (ii) at such other times as may be requested by the Mutual.

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

## Appendix B

### MEMBER M28 ACCESS TO MUTUAL RECORDS:

The following sets forth the policy of Walnut Creek Mutual No. Twenty-Eight (the "Mutual") by Members concerning inspection and copying of records of the Mutual (the "Policy").

Mutual Members shall have M28 access to records of the Mutual for the purpose of inspection and obtaining copies as provided in this Policy. M28 access to records will be provided to a requesting Member or, in most cases, to the authorized representative of the requesting Member, provided that the Member's designation of such representative is in writing signed by the Member and delivered to the Mutual. Only Members (and not their representatives) are entitled to inspection of or a copy of the Membership list.

#### Article 1. Definitions.

For purposes of this Policy, there are two categories of Mutual Records which shall be referred to as "Tier One Records" and "Tier Two Records."

1.1 "Tier One Records." Tier One Records shall consist of the following:

- a) the current governing documents of the Mutual (i.e., Articles of Incorporation, Bylaws, Declaration of Covenants, Conditions and Restrictions ("CC&Rs"), and Rules and Policies adopted by the Board);
- b) the membership list which shall set forth the name, property address and mailing address of all Mutual Members except those who have opted out as provided in this Policy and by law;
- c) agendas and minutes of meetings of the Board of Directors of the Mutual (excluding agendas, minutes and other information relating to executive sessions of the Board and matters considered or discussed in executive session), of the Members, any Committee of the Board (a committee comprised only of Board members), and any committee appointed by the Board that has decision making authority; documents required to be provided to the Members under Sections 1365 or 1368 of the California Civil Code;
- d) unaudited financial statements, periodic or as compiled, that contain a balance sheet, an income and expense statement and/or a budget comparison;
- e) state and federal tax returns; statements showing the balances in the Mutual's operating and reserve M28 accounts and payments made from the reserve M28 account;
- f) and any other records described as "Association records" in Section 1365.2 (a) (1) of the California Civil Code.

1.2 Tier Two Records. "Tier Two Records" shall consist of the following:

- a) invoices;

- b) receipts; cancelled checks drawn on Mutual checking M28 accounts;
- c) periodic statements for credit card M28 accounts in the name of the Mutual;
- d) statements for services rendered by third party service providers;
- e) purchase orders approved by the Mutual;
- f) reimbursement requests; and
- g) other records described as “enhanced association records” in Section 1365.2 (a) (2) of the California Civil Code.

## Article 2      Membership List.

### 2.1      Procedures for Obtaining Membership List.

Upon submission to the Board Services Office (located at Gateway, 1001 Golden Rain Road, Rossmoor) of a written request for M28 access to the membership list of the Mutual, which written request states a purpose that is reasonably related to the requesting Member’s interest as a Member of the Mutual for which M28 access is requested, the Mutual will make the membership list setting forth the names, property addresses and mailing addresses of the Members of the Mutual available for inspection or copying by the requesting Member within five (5) business days after receipt of a proper written request in the Board Services Office.

### 2.2      Exceptions; Member’s Right to “Opt Out.” A requesting Member’s right of M28 access to the membership list shall be subject to the following exceptions:

- a) Any Member shall have the right to opt out, as provided in Section 1365.2 (a) of the California Civil Code, of having his or her name, property address and mailing address included in the membership list by filing with the Board Services Office an Opt Out Notice signed by such Member, which Notice shall be in a form approved by the Mutual.
- b) With respect to any Member who has filed a proper Opt Out Notice with the Board Services Office, the Mutual shall redact such Member’s name, property address and mailing address from the membership list provided to a requesting Member.
- c) At the time the Board Services Office makes the membership list available to the requesting Member for inspection and copying, the Mutual shall provide the requesting Member in writing with a reasonable method of achieving the purpose stated in such Member’s request for M28 access to the membership list as an alternative to providing the name, property address and mailing address of any Member who has filed an Opt Out Notice with the Board Services Office.
- d) The Mutual shall have the right, subject to the provisions of Section 1365.2 (a) (1) (I) (ii) of the California Civil Code, to deny a Member’s request for M28 access to the membership list if the Mutual reasonably believes that the information in the list will be used for a purpose other than that stated in the

request, provided that in denying the request the Mutual shall notify the requesting Member in writing of the reason for denying the request.

### Article 3 Minutes.

#### 3.1 Board Meetings.

Minutes of Board meetings (not including minutes, if any, of executive sessions) in final or, if not yet in final, in draft or summary form shall be provided within 30 days after the date of the meeting or, if a proper written request for M28 access to such minutes is received later than 30 days after the date of any Board meeting, within 10 business days after such request for such minutes has been received in the Board Services Office.

#### 3.2 Membership and Committee Meetings.

Minutes of membership meetings and minutes of meetings of any Committee of the Board (a committee composed solely of Board members) and of meetings of any committee appointed by the Board that has decision-making authority shall be made available as hereinafter provided.

### Article 4 Other Records.

Requests for any other records shall be submitted in writing to the Board Services Office and shall state with specificity which record or records are being requested, identifying all such records by type, name, and date or time period applicable to the record or records requested. Records, other than the current membership list and minutes of Board meetings, for the current fiscal year and for the two fiscal years immediately preceding the current fiscal year and which are properly requested by a Member will be made available by the Mutual. Records for periods other than the current fiscal year and the two immediately preceding fiscal years will be made available only in exceptional cases as determined by the Board in its sole discretion. Minutes will be made available without regard to the year in which the meeting to which requested minutes relate was held.

### Article 5 When Records Will Be Made Available.

5.1 In General. Except as otherwise provided in this Policy, requested records prepared during the current fiscal year will be made available within 10 business days after a proper written request for such records is filed in the Board Services Office, and requested records prepared prior to the current fiscal year and to be made available as provided in this Policy will be made available within 30 calendar days after a proper written request is filed in the Board Services Office.

5.2 Minutes of Membership Meetings. Minutes of the most recent membership meeting will be made available within 10 business days after a proper request is filed in the Board Services Office and, if such minutes have not yet been approved, they will be provided in draft or summary form. Minutes of other membership meetings will be made available within 30 days after a proper request is filed in the Board Services Office.

5.3 Committee Meeting Minutes. Minutes of meetings of committees shall be made available within 15 days after a proper request has been filed in the Board Services Office or within 15 days after such minutes have been approved, whichever is

later, provided, however, that, as provided in Civil Code Section 1365.2, the Mutual shall not be obligated to make committee minutes available prior to January 1, 2007. [!?!]

Article 6 Member Request for Mailing of Copies.

A Member may submit a written request to the Board Services Office for copies of specifically identified records that are to be made available under this Policy including a request that those records be mailed to the Member. If a request is submitted for the mailing of records to a requesting Member, the Mutual shall mail the requested records to the Member within the applicable time period set forth in this Policy.

Article 7 Member Request for Receipt of Records By Electronic Transmission.

A Member may submit a written request to receive records that are to be made available under this Policy by means of electronic transmission or machine-readable media and the requested records shall be made available in that manner as long as such records may be so transmitted in a redacted format that does not allow the records to be altered.

Article 8 Withholding or Redacting of Certain Information.

8.1 Information Which May be Withheld or Redacted. The Mutual may withhold or redact from records made available to a Member the following information:

- a) information that is reasonably likely to lead to identity theft as defined in Section 1365.2 of the California Civil Code;
- b) information that is reasonably likely to lead to fraud in connection with the Mutual;
- c) information that is privileged under the law;
- d) information that is reasonably likely to compromise the privacy of an individual Member;
- e) information consisting of records of a-la-carte goods or services provided by the Mutual to individual Members for which the Mutual received monetary payment other than assessments;
- f) information consisting of records of disciplinary actions, collection activities or payment plans relating to Members other than the requesting Member;
- g) the personal identification information of a person as described in Section 1365.2 of the California Civil Code;
- h) agendas, minutes and information from executive sessions of the Board of Directors, except that executed contracts that are not otherwise privileged shall not be withheld;
- i) personnel records of Mutual employees other than compensation information that may not be withheld or redacted as provided in Section 1365.2 of the California Civil Code; and

j) architectural plans, including security features, for the interior of individual Manors.

8.2 Employee Compensation. The Mutual will not withhold or redact information regarding compensation of individual employees of the Mutual except that such information will be set forth by job classification or title and in a manner that will not identify an employee's name, social security number and other personal information.

8.3 Legal Basis for Withholding or Redacting Information. Upon the written request of a Member, the Mutual will specify the legal basis for withholding or redacting information in making records available to such Member.

8.4 Mutual will specify the legal basis for withholding or redacting information withheld or redacted in making records available to such Member.

#### Article 9 Reimbursement of Costs Incurred by Mutual in Making Records Available.

9.1 In General. A requesting Member shall reimburse the Mutual the amount of the costs directly and actually incurred by the Mutual in connection with the copying of the requested records and, if a Member requests that records be mailed to the Member, the amount of the actual cost of such mailing.

9.2 Estimate; Member Agreement to Reimburse Mutual. Prior to making records available and prior to mailing any records to a Member, the Mutual shall notify the Member in writing of the cost of copying and mailing of the requested records and the Member shall agree in writing to reimburse the stated amount to the Mutual before the records are made available.

9.3 Costs of Redacting. A requesting Member shall also reimburse the Mutual for the actual costs of redacting information from records made available in M28 accordance with this Policy, provided that the amount to be reimbursed to the Mutual in connection with the redacting of information from records made available to a requesting Member shall not exceed the amount of \$10.00 per hour (is this the current fee) and a maximum amount of \$200.00 and provided, further, that the Mutual shall notify a requesting Member in advance of the cost of redacting such information and the Member shall agree in writing to reimburse the Mutual in the stated amount before the records are made available.

#### Article 10 Improper Use of Mutual Records Prohibited.

In no event shall Mutual records or any information contained in such records be sold, used for any commercial purpose or used for any purpose not reasonably related to a Member's interest as a Member of the Mutual and the Mutual shall have all rights provided by law to enforce this provision including the obtaining of injunctive relief and the recovery of damages and the costs and expenses incurred in any enforcement action or proceeding.

#### Article 11 Conflicts.

This Policy has been prepared in M28 accordance with and in compliance with Civil Code section 1365.2 effective July 1, 2006. The Mutual's Amended Bylaws were approved by the Mutual membership on December 2, 2002 and reflect the then-current

laws governing Member inspection of records. In the event of a conflict between the terms of this Policy and Section 12.1 (entitled “Members’ Inspection Rights”) of the Mutual’s Amended Bylaws, the terms of this Policy shall control.

# Appendix C

## WALNUT CREEK MUTUAL NO. TWENTY-EIGHT

### VOTING AND ELECTION RULES

(Adopted 12/30/19)

#### 1. General.

- 1.1 These Rules are intended to comply with Civil Code sections 5100 through 5130 and shall apply to Member voting: (1) to elect or remove Members of the Board of Directors; (2) regarding assessments; (3) regarding amendments to the governing documents; (4) regarding the granting of exclusive use of common area property; and (5) at the discretion of the Board of Directors, regarding any other matter that may be the subject of a vote of Mutual Members. These Rules shall become effective on December 31, 2019.
- 1.2 As used in these Rules, "general notice" means providing notice by one or more of the following methods: any method provided for delivery of an individual notice pursuant to Civil Code section 4040; inclusion in a billing statement, newsletter, or other document; posting the printed document in a prominent location that is accessible to all Members, if the location has been designated for the posting of general notices by the Mutual in the annual policy statement (e.g., on the bulletin board in the Gateway Administration Center); if the Mutual broadcasts television programming on GRF-owned Rossmoor Channel 28 for the purpose of distributing information on Mutual business to its Members, by inclusion in the programming.

#### 2. Access to Mutual Media and Facilities.

- 2.1 No candidate or Mutual Member advocating a point of view for purposes related to an election covered by these Rules shall be allowed access to any form of Mutual media including, but not limited to, newsletters, common area bulletin board, internet website, social media pages or television programming after written ballots are distributed as specified in Section 7.1 until the conclusion of the election. "Mutual media" shall not include correspondence to the Members via first-class mail, personal delivery, or email. For purposes of this section, "advocacy" shall not include the following: (1) "get out the vote" efforts or publication of communications in any format which are solely for the purpose of encouraging Members to timely return ballots to the Inspector(s) of Elections for tabulation; (2) descriptions of the purpose and effect of a proposed rule change pursuant to Civil Code section 4360; or (3) a factual summary of significant changes to the governing documents accompanying the text of a proposed amendment pursuant to Civil Code section 5115(e).
- 2.2 "Equal access" shall mean, for written statements on any platform, publication of written statements not to exceed a predetermined number of words and, for broadcast statements on any platform, including GRF-owned Rossmoor Channel 28, broadcast statements not to exceed a predetermined length of time. The Board may require that broadcast statements be pre-recorded in order to comply with the predetermined time limit. The

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

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

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

### **3. Qualifications of Candidates.**

- 3.1 Consistent with Civil Code section 5105(b), candidates for the Board of Directors must meet qualifications as set forth hereafter.
  - 3.1.1 Be a Member of the Mutual prior to the close of nominations;
  - 3.1.2 Be current in all regular and special assessment payments, to the extent that the Bylaws hold current directors to the same standard;
  - 3.1.3 Not have a past criminal conviction that would either (a) prevent the Mutual from purchasing the fidelity bond coverage required by Civil Code section 5806 should the person be elected, or (b) terminate the Mutual's existing fidelity bond coverage as to that person should that person be elected; and
  - 3.1.4 No more than one (1) Owner of any particular Unit may serve on the Board at the same time.

### **4. Nomination of Candidates.**

- 4.1 To the extent not in conflict with Civil Code sections 5100 and 5105, candidates for the Board of Directors shall be nominated as set forth hereafter.
  - 4.1.1 At least 30 days before any deadline for submitting a nomination, the Mutual shall provide general notice of the procedure and deadline for submitting a nomination and shall give all Members an opportunity to nominate themselves as candidates for the Board of Directors.
  - 4.1.2 Interested persons must inform the Mutual's managing agent or Board of Directors in writing of their request to be a candidate for the Board of Directors (self-nomination). Any self-nominated candidate must disclose a past criminal conviction that would either prevent the Mutual from purchasing the fidelity bond coverage required by Civil Code section 5806 should the person be elected or terminate the Mutual's existing fidelity bond coverage as to that person should that candidate be elected to the Board.

- 4.1.3 Nominations for candidates wishing to be included on the mailed ballots shall close on the date established by the Mutual. All nominations to be included in the written ballot must be in writing and delivered to the Mutual by the deadline established by the Mutual, which deadline shall be in advance of the date on which the ballots are mailed.
- 4.1.4 The Mutual shall review all persons so responding for compliance with the qualifications identified in Section 3 of these Rules.
- 4.1.5 All qualified persons who timely respond to the Mutual's solicitation shall be candidates for the Board of Directors at the next election.
- 4.1.6 The Mutual shall provide general notice of the following at least 30 days before the ballots are distributed:
  - a. The date and time by which, and the physical address where, ballots are to be returned by mail or handed to the Inspector(s) of Elections;
  - b. The date, time and location of the meeting at which ballots will be counted; and
  - c. In an election of Directors, the list of all candidates' names that will appear on the ballot (i.e., the candidate registration list).
- 4.1.7 The Mutual shall permit Members to verify or correct, by providing documentary evidence (including, but not limited to, a grant deed or general power of attorney) satisfactory to the Inspector(s) of Elections, the accuracy of their individual information on the candidate registration list (as applicable) and the voter list. The voter list shall include the voter/Member's name, voting power, and either the physical address of the voter's (a) Unit, or (b) parcel number, or (c) both, and the mailing address for the ballot if it differs from the physical address of the separate interest or if only the parcel number is used.

## **5. Inspector(s) of Elections.**

- 5.1 The Board shall appoint one or three Inspector(s) of Elections who shall perform all functions required by Civil Code sections 5105 and 5110, including:
  - 5.1.1 Determine the number of Members entitled to vote and the voting power of each;
  - 5.1.2 Determine the authenticity, validity and effect of proxies, if any;
  - 5.1.3 Receive and be the custodian of ballots, and direct the location to which ballots shall be sent until tabulated by the Inspector(s) of Elections;
  - 5.1.4 Correct errors or omissions on the candidate registration list (if any) and/or voting list within two business days of the errors or omissions being reported, with receipt of satisfactory documentary evidence;

- 5.1.5 Hear and determine all challenges and questions in any way arising out of or in connection with the right to vote;
  - 5.1.6 Count and tabulate all votes;
  - 5.1.7 Determine when the polls shall close, with the discretion to extend the deadline for voting as necessary;
  - 5.1.8 Determine the results of the election; and
  - 5.1.9 Report the results of the election to the Board of Directors.
- 5.2 Eligible Inspectors of Elections may include:
- 5.2.1 Any Mutual Members who are not Members of or candidates for the Board of Directors nor relatives of Members or candidates for the Board of Directors; and
  - 5.2.2 An individual third party who is not currently employed or under contract to the Mutual for any compensable services other than serving as an Inspector of Elections.
- 5.3 The Mutual may, at the discretion of the Board of Directors, provide reasonable compensation to the Inspector(s) of Elections.
- 5.4 The Inspector(s) of Elections may appoint and oversee additional persons to verify signatures and to count and tabulate votes as the Inspector(s) deem appropriate, provided that the appointed persons would themselves be eligible to serve as Inspector(s) of Elections pursuant to Section 5.2, above.

## **6. Voting Rights.**

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

## 7. Voting Procedures.

- 7.1 Mailing of voting packets. At least 30 days before the election, one voting packet shall be delivered to each Mutual Member. Each packet shall contain the following:
- 7.1.1 The ballot or ballots;
  - 7.1.2 Two sealable envelopes. The smaller (inner) envelope shall have no markings identifying the voter. The larger (outer) envelope shall be pre-addressed to the Inspector(s) of Elections, Walnut Creek Mutual No. Twenty-Eight. The upper left corner of the larger envelope shall contain the Member's name, address, and Unit number that entitles the Member to vote (or provide spaces to fill in such information) and provide a place for the Member's signature;
  - 7.1.3 Instructions on how to use the two-envelope system; and
  - 7.1.4 Notice of the date, time and location of the meeting of the Board or Members at which the ballots will be opened and tabulated.
  - 7.1.5 A copy of these Voting and Election Rules (via individual delivery or posting to an internet website and including the corresponding website address on the ballot together with the phrase, in at least 12-point font: "The rules governing this election may be found here: [rossmoor.com](http://rossmoor.com) website.").
- 7.2 Ballot content. Each ballot shall contain the following:
- 7.2.1 In an election of Directors, each candidate's name listed alphabetically;
  - 7.2.2 The identification of any other matter that is the subject of a pending Member vote;
  - 7.2.3 A statement of when ballots must be returned by mail or hand delivery.
- 7.3 Receipt of ballots.
- 7.3.1 All ballots shall be received by the Inspector(s) of Elections at locations as specified by the Inspector(s) of Elections.
  - 7.3.2 If so directed by the Inspector(s) of Elections, the Mutual's management staff shall maintain a log of all ballot envelopes received, noting whether the outer envelopes were signed or unsigned. The Inspector(s) of Elections may contact Members who return unsigned envelopes and make arrangements for Members to sign the envelopes prior to the date that the ballots are opened and tabulated.
  - 7.3.3 Once a ballot has been received by the Inspector(s) of Elections, it may not be revoked. A ballot shall be considered received when the voting packet envelope (the outer envelope containing the inner envelope containing the ballot) has been received by the Inspector(s) of Elections.

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

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

#### 7.4 Proxies.

7.4.1 The Mutual shall have the option, but shall not be obligated, to distribute proxies for any election covered by these Rules. If the Mutual distributes a proxy form, any instruction given in that proxy directing the manner in which the proxy holder is to vote shall be set forth on a separate page of the proxy that can be detached and given to the proxy holder to retain. The proxy holder may then cast the Member's vote by secret ballot which will be provided by the Inspector(s) of Elections upon presentation of the proxy.

7.4.2 If a Member attempts to use a proxy, any instruction given in that proxy directing the manner in which the proxy holder is to vote should be set forth on a separate page of the proxy that can be detached and given to the proxy holder to retain. The proxy holder may then cast the Member's vote by secret ballot which will be provided by the Inspector(s) of Elections upon presentation of the proxy.

7.4.3 In the event the Mutual's Bylaws are amended to prohibit voting by proxy in connection with votes of the Members and/or Member meetings, voting by proxy shall not be permitted.

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

### **8. Tabulation of Ballots.**

8.1 The voting packet envelopes shall be opened by the Inspector(s) of Elections after the close of the of the polls which shall be determined by the Inspector(s). The Inspector(s) of Elections, or their designees, may verify the Member's information and signature on the outer envelope prior to the opening and tabulation of ballots.

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

## **9. Additional Procedures.**

- 9.1 The Board of Directors shall give general notice of the tabulated results of the election within 15 days by a communication directed to all Members.
- 9.2 One year after the conclusion of the election, the Inspector(s) of Elections shall transfer custody of all ballots, signed outer voter envelopes, voter list, proxies and (if applicable) candidate registration list ("Mutual election materials") to the Mutual; the Mutual shall maintain the Mutual election materials for an additional two (2) years.
- 9.3 In the event of a re-count or challenge, the Inspector(s) of Elections shall, upon written request, make the Mutual election materials available for inspection by the challenging Mutual Member or its authorized representative. Outer voter envelopes may be inspected but may not be copied. The Mutual shall be entitled to redact the address of any Member on the voter list who has opted out of the membership list and the voter list. Any re-count shall be conducted in a manner designed to preserve the confidentiality of the vote.

Adopted on December 30, 2019  
by the Board of Directors

## Appendix D

### ELECTRIC VEHICLE CHARGING STATION POLICY

#### A. GENERAL

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

#### B. REQUIREMENTS

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

- ii. continue the \$1 million liability insurance and additional insured endorsement in effect;
  - iii. pay for the electricity usage associated with the EVCS;
  - iv. be responsible for costs of damage to the EVCS and related property from the installation, maintenance, repair, removal, or replacement of the EVCS;
  - v. be responsible for costs of maintenance, repair and replacement of the EVCS; and
  - vi. disclose to prospective buyers the existence of the EVCS and the related responsibilities of the Member.
3. Alteration Applications which include all specified submittals shall be responded to within 60 days of a valid submission.
  4. Within fourteen (14) days of approval by Mutual of Applicant's request for permission to install the EVCS and before commencement of installation, the Applicant shall provide the Mutual with satisfactory evidence that the Mutual has been named as an additional insured under the Applicant's \$1 million homeowner insurance liability policy with a right of notice of cancellation.
  5. The installation shall be performed by a qualified, licensed and insured contractor meeting all the requirements set forth in the Alteration Permit or otherwise imposed by the Mutual.
  6. Applicant shall comply with all applicable governmental laws and regulations and procure all required City of Walnut Creek and governmental permits and authorizations before installing the EVCS. The EVCS shall meet all applicable governmental and industry safety standards, and local permitting requirements.
  7. If visible from the Common Area or other Exclusive Use Common Area, the EVCS must conform to the surrounding structures and environment in design, size, and appearance. Visually the installation shall appear neat and attractive, without exposed wiring or visible damage to surrounding improvements.
  8. The Applicant and each successive owner of the EVCS shall pay for all electricity usage associated with the EVCS. The Board may, by resolution adopted from time to time, establish the rates that will be charged for electricity usage.
  9. The Applicant and each successive owner of the EVCS shall be responsible for:
    - a. all costs for damage to the EVCS, Common Area, Exclusive Use Common Area or Manor resulting from the installation, maintenance, repair, removal, replacement or existence of the EVCS;
    - b. all costs for the installation, operation, maintenance, repair and replacement of the EVCS and all additions or modifications to existing Mutual electrical components until the EVCS has been removed and for the restoration of the Common Area, Exclusive Use Common Area or

Manor after the removal;

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

i. maintenance at all times of a homeowner liability insurance policy providing \$1 million in coverage which also names the Mutual as an additional insured under the policy with a right to notice of cancellation;

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

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

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

v. responsibility to disclose to prospective buyers the existence of any charging station and the related responsibilities of the Member pursuant to Civil Code section 4745.

10. Nothing in this Policy shall modify, release or otherwise discharge any rights of the Mutual or obligations of its members imposed pursuant to the Mutual's Governing Documents, Occupancy Agreements executed by the Mutual and its members, and applicable law.

11. The prevailing party in any dispute arising out of the interpretation, violation or enforcement of the provisions of this EVCS Policy or documents created as called for herein shall be awarded their reasonable attorneys' fees and costs.

## **EXHIBIT "A"**

### **FORM OF EVCS Installation and Maintenance Agreement**

(Attached)

#### **EVCS Installation and Maintenance Agreement**

Walnut Creek Mutual #28 ("Mutual") and \_\_\_\_\_ and \_\_\_\_\_, \_\_\_\_\_ [insert Manor address], Walnut Creek, CA 94595 (if more than one, collectively "Applicant"), who may hereafter collectively be referred to as the "Parties," for valuable consideration, the receipt of which is hereby affirmed, agree as follows:

1. Applicant is the record owner of a membership ("Membership") in Walnut Creek Mutual #28, and is subject to the Mutual's Bylaws and Policies.
2. Applicant has requested permission from the Mutual to install an Electric Vehicle

Charging Station (EVCS) on (circle one) Common Area/Exclusive Use Common Area [commonly referred to as Carport Space No. \_\_\_\_]. Mutual has adopted an Electric Vehicle Charging Station Policy (“EVCS Policy”) in compliance with Civil Code section 4745 which imposes reasonable conditions for the approval of such applications.

3. This Agreement shall be binding upon the Applicant and all successor owners of the Membership, and put all potential and successor owners of the Membership on notice of the terms and obligations imposed herein.
4. Civil Code section 4745 calls for Applicant “and each successive owner of the charging station” to be responsible for the following:
  - a. all costs for damage to the EVCS, Common Area, Exclusive Use Common Area, or Manor resulting from the installation, operation, maintenance, repair, removal, replacement or existence of the EVCS;
  - b. all costs for the maintenance, repair, and replacement of the EVCS until it has been removed and for the restoration of the Common Area (including Exclusive Use Common Area) after removal;
  - c. the cost of electricity associated with the EVCS;
  - d. disclosing to prospective buyers the existence of any EVCS and the related responsibilities of the owner of the EVCS under law; and
  - e. maintaining at all times a homeowner liability coverage policy in the amount of \$1 million (\$1,000,000), which shall name the Mutual as a named additional insured under the policy with a right to notice of cancellation.
5. Applicant shall provide evidence of the required insurance coverage in writing within fourteen (14) days of approval by Mutual of Applicant’s request for permission to install the EVCS and before commencement of installation of the EVCS
6. Applicant, for itself and on behalf of all successor owners of the Membership and EVCS, further agrees to defend, indemnify and hold harmless Mutual, its members, employees, and agents from all claims, liabilities, obligations and damages arising out of or related in any way to the installation and maintenance of the EVCS for which Applicant has requested permission to install.
7. Installation of the EVCS shall be performed by a qualified, licensed and insured contractor meeting all the requirements set forth in the Board's written approval or otherwise imposed by the Mutual.
8. Applicant shall comply with all applicable governmental laws and regulations and procure all required City of Walnut Creek and governmental permits and authorizations before installing the EVCS. The EVCS shall meet all applicable governmental and industry safety standards, and local permitting requirements.

9. The Parties and their successors agree to be bound and abide by all provisions of Civil Code section 4745 and any successor statutes.
10. Nothing contained in this Agreement shall eliminate, override, or modify, in any way, Applicant's obligation to obtain architectural approval from Mutual pursuant to the Mutual's Alteration Policy and Civil Code section 4745 for the installation of the requested EVCS.
11. Mutual shall be entitled to recover from Applicant all costs, including attorneys' fees necessary to enforce the provisions of this Agreement. In the event of any litigation, arbitration or other legal proceeding arising out of this Agreement, the prevailing party shall be entitled to recover its attorneys' fees and costs expended as a result.

Applicant \_\_\_\_\_

Applicant \_\_\_\_\_

Manor Address \_\_\_\_\_

Carport Number \_\_\_\_\_

Name of Contractor \_\_\_\_\_

## **Appendix E**

### **INVESTMENTS**

To comply with California Civil Code § 1365.5 and Section 6.16 of the CC&Rs, separate bank/investment M28 accounts will be maintained for operating and reserve funds. 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 T-bills 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 rest
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). Money Market Deposit accounts are also provided by non-insurance backed organizations which generally pay slightly higher yields.
5. REPURCHASE AGREEMENTS are contractual arrangements between a financial institution or dealer and an investor. The investor places the funds for a certain number of days at a stated yield. In return, the institution takes title to a given block of securities as collateral. At maturity, the securities are repurchased and the funds are repaid with interest.

## **Appendix F**

### **The Davis-Stirling Act Civil Code Section 5370**

#### **NOTICE ASSESSMENTS AND FORECLOSURE**

This notice outlines some of the rights and responsibilities of owners of property in common interest developments and the associations that manage them. Please refer to the sections of the Civil Code indicated for further information. A portion of the information in this notice applies only to liens recorded on or after January 1, 2003. You may wish to consult a lawyer if you dispute an assessment.

#### **ASSESSMENTS AND FORECLOSURE**

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure, or without court action, often referred to as nonjudicial foreclosure. For liens recorded on or after January 1, 2006, an association may not use judicial or nonjudicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800).

For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months delinquent, an association may use judicial or nonjudicial foreclosure subject to the conditions set forth in Article 3 (commencing with Section 5700) of Chapter 8 of Part 5 of Division 4 of the Civil Code. When using judicial or nonjudicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections 5700 through 5720 of the Civil Code inclusive) In a judicial or nonjudicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest.

The association may not use nonjudicial foreclosure to collect fines or penalties, except for costs to repair common areas damaged by a member or a member's guests, if the governing documents provide for this. (Section 5725 of the Civil Code) The association must comply with the requirements of Article 2 (commencing with Section 5650) of Chapter 8 of Part 5 of Division 4 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association. (Section 5675 of the Civil Code)

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail, including a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt. (Section 5660 of the Civil Code)

If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide an owner certain documents in this regard. (Section 5685 of the Civil Code)

The collection practices of the association may be governed by state and federal laws regarding fair debt collection. Penalties can be imposed for debt collection practices that violate these laws.

### **PAYMENTS**

When an owner makes a payment, the owner may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person who received it. The association must inform owners of a mailing address for overnight payments. (Section 5655 of the Civil Code)

An owner may, but is not obligated to, pay under protest any disputed charge or sum levied by the association, including, but not limited to, an assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise. An owner may dispute an assessment debt by submitting a written request for dispute resolution to the association as set forth in Article 2 (commencing with Section 5900) of Chapter 10 of Part 5 of Division 4 of the Civil Code. In addition, an association may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 3 (commencing with Section 5925) of Chapter 10 of Part 5 of Division 4 of the Civil Code, if so requested by the owner. Binding arbitration shall not be available if the association intends to initiate a judicial foreclosure. An owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. (Section 5685 of the Civil Code)

### **MEETINGS AND PAYMENT PLANS**

An owner of a separate interest that is not a time-share interest may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exists. (Section 5665 of the Civil Code)

The board must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment. These payment plans must conform with the payment plan standards of the association, if they exist. (Section 5665 of the Civil Code)

## **Appendix G**

### **City of Walnut Creek Second Hand Smoke Ordinance Summary**

#### **Smoking is prohibited in the following outdoor areas:** (Effective October 31, 2013)

- Throughout the downtown Pedestrian Retail District (Effective upon City Manager certification)
- All areas within 25' feet from 'Enclosed Places' (i.e. places of employment, public places, government buildings, multi-unit residences)
- All city-owned parks, trails and open space areas (Effective upon City Manager certification)
- Service Areas (i.e. any areas used to receive or wait for a service, including ticket lines and ATMs)
- All public events
- All outdoor dining areas

#### **In Multi-Unit Housing, smoking is prohibited** (Effective January 29, 2014):

- Within all existing multi-unit residential units
- On all balconies, patios, decks and carports
- All areas within 25' feet of Enclosed Areas (i.e. all multi-residential buildings, common areas, community centers and recreational areas)
- Designated smoking areas may be provided if they meet the above criteria

#### **Landlord Responsibilities**

- Notify all tenants of the new smoking restrictions within 60 days from adoption (November 30, 2013)
- Install 'No Smoking' signage at each point of ingress within 120 days from adoption (January 29, 2014)
- Include lease terms stating that smoking is a material breach of the lease, for all leases entered into or amended on or after January 29, 2014.

#### **Smoking is also prohibited:**

- In any indoor workplace or indoor area open to the public, with the exception of Tobacco Retail Shops with a private smoking lounge attached.

#### **In every building or other place where smoking is prohibited by law, the owner, operator or manager must:**

- Post "No smoking" signs with letters not less than one inch in height, and the international "No Smoking" symbol (consisting of a burning cigarette in a red circle with a red bar across it), in clear and conspicuous locations on every building or other place where smoking is restricted by law.

**Enforcement:**

- All violations can be reported to the City's no-smoking hotline number at (925) 256-3535, or via e-mail at [nosmoking@walnut-creek.org](mailto:nosmoking@walnut-creek.org). Inquiries and reports will be responded to within 24-hours.
- Initial violations will receive a warning notice and repeat violations may be subject to a citation and fee of \$100 for first violations, \$200 for second violations and \$500 for each violation thereafter

Mutual Responsibility	Resident Responsibility
-----------------------	-------------------------

<b>Appliances: Dishwashers, Refrigerators, Disposals, Ranges, Ovens, Vents, Hoods, Water Heaters, Fireplaces, etc.</b>	
	All appliances are the owner's property; all maintenance and repair is the owner's responsibility

## Carpentry

Repairs due to building movement

N.B.

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.

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.

- 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 any resident replacement done during remodel.

**Electrical (Wiring and Components)**

- |   |  |
|---|--|
| <ul style="list-style-type: none"><li>· Replace exterior and interior circuit breaker panels</li><li>· Repair/replace exterior duplex outlets, including carports</li><li>· Repair, reset, tighten, or replace exterior and interior circuit breakers or electrical panels</li><li>· Repair electrical wiring in walls and attic, including doorbell wiring</li></ul> | <ul style="list-style-type: none"><li>· Replace bathroom fan motor and/or heating elements</li><li>· Repair/replace electrical cords and plugs (standard appliances)</li><li>· Clean bathroom fans and ducts, kitchen fans and ducts, and dryer fans and ducts</li><li>· Replace interior wall switches or duplex outlets</li><li>· Repair exterior lighting fixtures controlled by an interior switch</li><li>· Replace interior light bulbs, fluorescent tubes, and ballasts</li><li>· Repair/replace telephone wiring from the user interface device (UID) into the unit</li><li>· Repair/replace cable TV wiring</li></ul> |
|---|--|

**Heating, Ventilating and Air Conditioning Systems**

Repair/replace duct systems in the attic spaces only if damaged during other Mutual-ordered repair of rehabilitation.

Repair/replace concrete pads for HVAC units if damaged.

Air conditioners, furnaces and heat pumps are the owner's property; all cleaning, maintenance, adjustments, lubrication, repair and replacement is the owner's responsibility

Repair/replace duct systems in the attic spaces.

**Landscaping in the Common Area**

Maintenance of turf areas, ground cover, shrubs, trees, irrigation system and surface drainage

Tree pruning, trimming or removal at request of and for sole benefit of a resident. Requires approval of the Board, affected neighbors and, if required, City of Walnut Creek

**Painting**

<ul style="list-style-type: none"> <li>· Exterior surfaces of buildings</li> <li>· Outside surface of original exterior doors</li> <li>· Exterior shells of air conditioning and heat pump units if damaged</li> <li>· Interior surfaces of manor damaged by rain leaks in structural components that the mutual maintains, e.g., roofs</li> <li>· Interior surfaces of manor damaged by building movement</li> </ul>	<ul style="list-style-type: none"> <li>· Inside surface of exterior doors</li> <li>· Interior surfaces of manor</li> <li>· Exterior of replacement doors</li> </ul> <p><u>Note:</u></p> <ul style="list-style-type: none"> <li>· Mutual dictates color palette for exterior surfaces of buildings, including trim and doors</li> <li>· Patio fences will not be painted</li> </ul>
<p><b>Pest Control (Including Termites)</b></p>	

<ul style="list-style-type: none"> <li>· Interior of buildings to control rodents, ants and other insects</li> <li>· Exterior of buildings, in walls and attics, includes control of weeds, plant diseases, rodents, ants and other insects</li> <li>· Inspection and treatment for wood-eating insects</li> </ul>	
<p><b>Plumbing</b></p>	
<ul style="list-style-type: none"> <li>· Repair leaks or remove stoppages</li> </ul>	<ul style="list-style-type: none"> <li>· Repair leaks or clear stoppages inside</li> </ul>

<p>within the wall or attic before the pipe penetrates the surface of the interior wall</p> <ul style="list-style-type: none"> <li>· Repair/replace outside faucets</li> <li>· Adjust building water pressure regulator</li> <li>· Remove debris from water supply lines, valves and aerators</li> <li>· Install relief valves ("beehives") in waste line</li> </ul>	<p>the manor from the point where the pipe leaves the drywall and enters the room</p> <ul style="list-style-type: none"> <li>· Repair/replace/adjust toilet seats, tank, bowl, valves, etc.</li> <li>· Repair/replace cracked, crazed, chipped or rusted sinks/basins/tubs/shower pans</li> <li>· Repair/replace traps, pipes, faucets, baskets, seals, etc.</li> <li>· Repair/replace/clean bathtub and sink stoppers or components</li> <li>· Repair/replace kitchen sink, soap dispenser or components</li> <li>· Re-caulk/re-grout bathtub/sink/shower door frames, tracks and kitchen counters.</li> <li>· Repair/replace water filters.</li> <li>· Repair/replace any resident replacement done during remodel</li> </ul>
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**Roofs**

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