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

THIRD WALNUT CREEK MUTUAL
POLICIES AND PROCEDURES

AS REVISED SEPTEMBER 20, 2007
AMENDED MARCH 27, 2008
REVISED JULY 14, 2008
REVISED SEPTEMBER 9, 2008
REVISED FEBRUARY 9, 2009
REVISED FEBRUARY 14, 2011
REVISED MAY 14, 2012
REVISED JULY 8, 2013
REVISED MAY 11, 2015
REVISED OCTOBER 10, 2016
REVISED NOVEMBER 14, 2016
REVISED DECEMBER 12, 2016
REVISED JULY 10, 2017
REVISED APRIL 9, 2018
REVISED FEBRUARY 10, 2020

1.1.1 INTRODUCTION

This manual of policies and procedures is intended to provide the Board of Directors, the committees appointed by the Board, and the managing agent ready access to information they need to carry out their respective responsibilities and assignments. The Board expects this manual will be useful as an orientation guide and a continuing resource to those who take over these responsibilities from time to time, and to owners and residents.

These policies and procedures implement and interpret and expand on a number of applicable legal documents including Federal, State and local laws and regulations generally, and specifically:

1. California Corporations Code
2. California Civil Code - Primarily the Davis-Stirling Act
3. Common Interest Development Case Law
4. City of Walnut Creek Building Codes
5. Covenants, Conditions, & Restrictions (CC&Rs) and Agreements Establishing CC&Rs for Projects in Third Walnut Creek Mutual
6. Third Walnut Creek Mutual Articles of Incorporation
7. Third Walnut Creek Mutual Bylaws

The documents named above establish the parameters within which the Board of Directors of Third Walnut Creek Mutual *manages, operates, and maintains* the properties of the Projects as required by the Articles of Incorporation. The Board has considerable latitude in operating within the established parameters.

The guiding principle of the Board is to make the governance of Third Walnut Creek Mutual as open, as accessible, and as helpful as possible. This requires Board members, managing agents, committee members, owners, and residents to be well informed about the mutual and have ready access to these statements of policy and procedure.

The overall objectives of Third Walnut Creek Mutual are to:

1. Maintain buildings, landscaping, entryway streets, and utilities to high standards as established by experts in the fields involved.
2. Manage finances prudently.
3. Maintain adequate insurance coverage.
4. Avoid exposure of manor owners and Board members to unacceptable liability.
5. Maintain communications with owners as required by the Civil Code and the Corporations Code. This includes providing access to Board minutes and policies, distributing financial information, and making necessary disclosures about such things as lawsuits and building defects.

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Appendix A contains supplementary information identified by the item number of the policy or procedure that is supplemented. A copy of Appendix A accompanies each copy of the policies and procedures manual.

Appendix B contains an archive of superseded policies and procedures identified by the item number of the superseding policy or procedure. A copy of Appendix B does not accompany each copy of the policies and procedures manual. Instead, the Secretary keeps one copy and one copy is kept in the Board Office for reference.

ABBREVIATIONS AND DEFINITIONS

I. POLITICAL

A. *Third Walnut Creek Mutual* (TWCM, sometimes also called the Mutual) is a nonprofit mutual benefit corporation that functions solely as a community association for management of certain condominium projects in Rossmoor. TWCM owns no real property.

B. *Board* means Board of Directors of Third Walnut Creek Mutual.

C. *Golden Rain Foundation/managing agent* (GRF) is a nonprofit mutual benefit corporation that provides maintenance and administrative services as a *managing agent* by contract with certain Mutual corporations, including Third Walnut Creek Mutual.

II. THE PROPERTIES

A. A *condominium* as defined in Civil Code §1351(f) consists of an undivided interest in common in a portion of real property, coupled with a separate interest in space called a *unit*. Locally, these units are called "manors." In Project 31, for example, each owner has an undivided 1/48th interest in the common area of the Project, and a separate interest in a unit ("manor").

B. A *condominium Project* as defined in Civil Code §1351(f) is a development consisting of condominiums. For example, Project 31 is a condominium Project consisting of 48 condominiums.

C. A *unit* means elements of a condominium, as defined in Civil Code §1351(f), that are owned by the manor owner (separate interest) and are not owned in common with other manor owners (interest in common).

What's Included in the Separate Interest (*Unit* or "Manor")

The portion of the building, and the air space, contained within the boundaries of the unit (the boundaries, according to bylaws Article III, paragraph 23 are the exterior surfaces of the doors and windows and the interior surfaces of the perimeter walls, floors and ceilings).

Under Article I of the Conditions, Covenants, and Restrictions "all doors and windows of a Unit and all fixtures and utility installations located within a Unit including without limitation hot water heaters, space heaters and kitchen, bathroom and lighting fixtures, and all air conditioning equipment serving a Unit, but outside of such Unit, shall be a

part of each Unit, provided further that soffits and furred-down ceilings shall not be a part of such Unit."

Note that the separate interest includes *interior wall paint* and includes *floor coverings* such as rugs, carpeting, tile, parquet or linoleum. The separate interest also includes *radiant heaters* in the ceilings.

(Note: Generally, the owner is responsible for maintaining the unit. However, for the sake of uniformity, Third Walnut Creek Mutual may specify exterior paint colors and is generally responsible for painting exterior parts of the unit, including the outsides of enclosed porches, outsides of exterior doors, and exterior heat pumps or air conditioner units.)

D. *Common area* as defined in Civil Code §1351(b) means "the entire common interest development except the separate interests therein."

What's Included in the *Common Area*

Common area, as defined in Covenants, Conditions, and Restrictions Article I part 6, means "all of that portion of the Project not within a Unit shown on the Plan of the Project, together with all improvements thereto." Parts of the building that are within the *common area* include soffits, furred-down ceilings, bearing walls, floors (but not floor covering such as rugs, carpeting, parquet, or linoleum), balcony rails, foundation slabs, and pipes and other utility installations (except outlets, pipes or fixtures located within the unit boundaries). Some parts of the common interest area may be reserved for the exclusive use of one or more (but not all) of the unit owners in a Project. These are called "exclusive use common areas." (See below).

Note: Generally, TWCM is responsible for maintaining and for obtaining insurance protection for the *common area* of each Project.

E. *Exclusive use common area* is defined in Civil Code §1351(i) to mean "a portion of the common areas designated by the declaration for the exclusive use of one or more, but fewer than all, of the owners of the separate interests and which is or will be appurtenant to the separate interest or interests."

What's Included in the *Exclusive Use Common Area*

Under Civil Code §1351(i)(1) the exclusive use common area includes (unless the declaration provides otherwise) shutters, awnings, window boxes, doorstops, stoops, porches, balconies, patios, exterior doors, door frames, hardware incident thereto,

screens and windows or other fixtures designed to serve a separate interest, but located outside the boundaries of the separate interest.

Under Civil Code §1351(i)(2) internal and external telephone wires designed to serve a single separate interest but located outside the boundaries of the separate interest are exclusive use common areas allocated exclusively to that separate interest.

Exclusive use common area as defined under "Limited common area" in Article VI of the Covenants, Conditions, and Restrictions means any portion of the common areas designated on a plan for any Project as a balcony, patio, garage, or carport.

III. OWNERSHIP

A. *Designated occupant* means a *resident* (as defined below) other than an *owner*.

B. *Owner* means anyone, including an estate or living trust, having title to a condominium in Third Walnut Creek Mutual. The *owners*, whether or not they are also *residents,* are the voting members of Third Walnut Creek Mutual. ①

C. *Resident* means a person who occupies a "manor" for at least 60 days per year and is registered with the Golden Rain Foundation as an occupant. A *resident* may be an *owner*, or a lessee or other *designated occupant*. The *residents* are the voting members of Golden Rain Foundation. ①

① One vote per condominium property regardless of the number of owners or the number of residents.

IV. FINANCIAL

A. *Owner billable* means costs that will be charged to the owner of a unit for work specifically for the benefit of the owner, or to repair damage caused by negligence; for example, backing into the garage door. Common examples are repairs or improvements inside a unit and landscaping work for the benefit of one unit; for example, tree trimming to preserve or improve a view.

B. *Project billable* means costs that will be charged to the entire Project and paid from Project operating funds or Project reserve funds.

Project operating funds are Project reserve funds used to pay for such expenses as administration, insurance, landscape maintenance, non-scheduled building maintenance, utilities, and professional services.

Project reserve funds are used to pay for such expenses as scheduled maintenance, repair, rehabilitation, and replacement of the major components of the Project.

January 13, 2000
March 11, 1996
April 8, 1996

Board Meetings (Regular)

Second Monday of each month in the Boardroom, Administration Building, Starting at 9:30 A.M. If the second Monday is a staff holiday the meeting will be held on the second Tuesday in the same place and at the same time except as posted otherwise on the Board Room door. ①

Annual Meeting of Members

Second Tuesday of June ②

Budget Preparation Period

August through October ①

Budget Approval By the Board

Special meeting of the Board in the last week of October in a place and at a time to be announced.①

Budget Information to Owners

During the period November 1 to November 16. ③

Coupon Increase Notice to Owners

Between thirty (30) and sixty (60) days before the due date ④

Coupons to Owners

Not later than December 15th ①

Annual Review of Reserve Needs

During Budget Preparation ①

Triennial Study of Reserve Needs

During Budget Preparation ①

Audit Reports to Owners

Not later than April 30 of the following year (April 29 in leap years) ⑤; Within 30 days after completion ⑥

① Timing is set by policy.
② Timing is set in bylaws Article V Section 2.
③ Timing is set in Civil Code §1365 (a)(4).
④ Timing is set in Civil Code §1366 (c).
⑤ Timing is set in Civil Code §1365 (b).
⑥ Timing is set in Conditions, Covenants, and Restrictions Article III Item 5

October 11, 2004
February 20, 2003

The Board will not knowingly operate in violation of any applicable Federal or State of California law or regulation, or any applicable City of Walnut Creek ordinance, or:

Agreements Establishing Covenants, Conditions, and Restrictions for each Project;

Covenants, Conditions and Restrictions (CC&Rs) for each Project;

Third Walnut Creek Mutual Articles of Incorporation; or

Third Walnut Creek Mutual Bylaws.

The Third Walnut Creek Mutual policies and procedures do not supersede any provision of these documents.

March 11, 1996
January 13, 2000

As set forth in the bylaws, no compensation shall be paid to directors. A director may not be an employee of Third Walnut Creek Mutual or Golden Rain Foundation.

A director may be reimbursed for actual costs of goods and services purchased by the director for Third Walnut Creek Mutual, subject to approval by the Board.

March 11, 1996
January 13, 2000

The President or other spokesperson of the Board, when presenting the Board's position to a governmental or private organization, or to the press, shall state in numbers the majority vote by which the Board took the position. A minority position, if any, shall be stated at the same time.

When a Director is absent from a meeting where a resolution is passed unanimously by the Directors present, that Director does not have the right to go before another body as a representative of the Board and voice a dissenting opinion.

Under Corporations Code §7231 (See Appendix A) the Board is entitled to discharge its obligations by relying on its own member experts and on outside expert advice. When a Board expert and an outside expert are unalterably opposed, the Board should solicit a third opinion in order to develop an expert consensus. When the Board accepts expert advice, a Board member who disagrees with that decision publicly could jeopardize the Board's protection under §7231. The Board member may nevertheless disagree at a Board meeting and have that disagreement reported in the minutes and any disclosure of the Board’s position to another body.

A Board member may take a personal position that differs from the member’s official position, but should be careful not to express the personal position while speaking in an official capacity.

March 11, 1996
January 13, 2000

13.0.0 COMMERCIAL PRESENTATION LIMITS

The Board does not permit commercial presentations at Board or membership meetings, except:

1. By Third Walnut Creek Mutual's managing agent or by a Director, as background for a proposed course of action.

2. By a commercial representative, with specific approval by the Board in advance of the meeting.

March 11, 1996
January 13, 2000

The Board, on its own initiative or on recommendation by the President, appoints committees of the Board (Bylaws Article VII, Section 4). The chairperson of each committee shall be a member of the Board and shall be designated by the Board, or by the President, or by the members of the committee, as specified in the resolution appointing the committee.

The objective of each committee shall be stated in writing.

A committee shall serve until its work is finished and it is discharged, or until the end of the annual meeting following the committee's appointment, whichever occurs first.

March 11, 1996
January 13, 2000

15.0.0 MEMBERSHIP APPLICATIONS AND CERTIFICATES

15.1.0 DELEGATION OF AUTHORITY TO ACCEPT MEMBERSHIP APPLICATIONS

An Assistant Secretary or any other officer of Third Walnut Creek Mutual Corporation may review applications for membership in the corporation, and accept the applications on behalf of the corporation upon determining that the applicants meet the requirements for membership set forth in the governing documents and the laws of the State of California. ①

15.2.0 ISSUANCE OF MEMBERSHIP CERTIFICATES

Membership certificates issued before October 1, 1994 will continue to be handled as required by law.

① See Appendix A for a summary of these requirements.

March 11, 1996
January 13, 2000

It is the policy of the Board to maintain a sound fiscal condition, to operate with balanced budgets, and to encourage the Projects to maintain adequate reserves.

16.1.0 COMPLIANCE WITH CIVIL CODE §1365.5(a)
To comply with Civil Code §1365.5(a), the Board will review the following fiscal items.

1. A current reconciliation of each Project's operating account on at least a quarterly basis.

2. A current reconciliation of each Project's reserve account on at least a quarterly basis.

3. For each Project, the current year's actual reserve revenues and expenses compared with the current year's budget, on at least a quarterly basis.

4. The latest account statements prepared by the financial institutions where Third Walnut Creek Mutual has its Project operating and reserve accounts.

5. An income and expense statement for Third Walnut Creek Mutual's Project operating and reserve accounts, on at least a quarterly basis.

In connection with these reviews, the Treasurer shall recommend to the Board any increase in assessments against the members necessary to avoid accumulation of substantial deficits.

16.2.1 PROJECT SPECIFIC ACCOUNTING

16.2.2 SEGREGATION OF ACCOUNTS
Each Project in Third Walnut Creek Mutual has its own operating bank account(s) and its own reserve bank account(s).

16.2.3 PROJECT SPECIFIC EXPENSES
Each Project pays its own expenses.

16.2.4 EXPENSES SHARED WITH SOME BUT NOT ALL OTHER PROJECTS
Each Project pays its share of expenses incurred jointly with some but not all of the other Projects. For example, charges by legal counsel for work benefiting two or more, but not all of the Projects are paid only by the beneficiary Projects. Postage and printing costs incurred by two or more, but not all Projects are paid only by the Projects that incur the costs.

16.2.5 EXPENSES SHARED AMONG ALL THE PROJECTS
All Projects share equally on a per-manor basis in such expenses as Board operations, general mailings, and general counsel work. Also, certain GRF charges are paid equally on a per-manor basis by all Projects, although the Projects might not appear to receive equal benefits from GRF.

16.2.6 PAYMENT METHODS – DIRECT PAYMENT
Upon receipt of an acceptable demand for payment from the funds of a Project, or in order to pay the Project's estimated income taxes on or before the due dates, MOD may pay the amounts due directly by check drawn on the Project's accounts.

16.2.7 PAYMENT METHODS – GENERAL FUND
MOD shall maintain a general fund in the amount of $10 per manor. In order to facilitate payments to a single vendor or taxing agency by two or more Projects, MOD may pay the vendor or taxing agency by a single check drawn on the general fund. The general fund shall be reimbursed promptly from the accounts of the Projects for which the payment was made. Each Project's reimbursement shall be clearly documented to identify the name of each vendor or taxing agency paid, and the amount paid to each vendor or taxing agency.

16.3. INVESTMENTS

16.3.1 INVESTMENT CRITERIA
Operating and reserve funds are augmented by investment earnings. These investments are made according to two prime criteria: accessibility and safety of principal.

Income from investments should never be increased at the expense of accessibility or safety.

To meet the safety criteria, all Project funds must be invested in either U.S. Treasury notes and bills or in investment accounts such as Savings Accounts and/or Certificates of Deposit as long as these accounts are insured by the Federal Deposit Insurance Corporation or guaranteed by the U.S. Government. Third Walnut Creek Mutual will not borrow to purchase any security for a Project account and will not purchase any security for a Project account at a premium above net asset value.

To meet the accessibility criteria, a Project's reserve funds may be invested in authorized investment accounts, not to exceed five (5) years maturity from date of purchase. Concurrence by the TWCM Treasurer and GRF CFO is required for investments in excess of three-year maturities.

16.3.2 INVESTMENT BANKING RESOLUTION

Authority to establish and maintain investment accounts is set forth in a current resolution of the Board. See Appendix A for a copy of the current resolution.

16.4.1 ALLOCATION OF INTEREST EARNINGS AND TAXES ON EARNINGS

16.4.2 OPERATING FUNDS
Income earned by a Project's operating fund is credited to that Project's operating account. Taxes on that income are paid from the Project's operating account.

16.4.3 RESERVE FUNDS
Income earned by a Project's reserve fund is credited to that Project's reserve account. Taxes on that income are paid from the Project's reserve account.

16.5.1 RESERVES BUDGETING AND FUND TRANSFERS

16.5.2 RESERVE WORK BUDGETS NOT TO INCLUDE POTENTIAL TRANSFERS FROM OPERATING FUNDS
Beginning with budgets for 2004, reserve work budgets shall not include potential transfers from operating funds.

16.5.3 RESERVE FUND BALANCES AS SOURCES FOR RESERVE WORK
Predicted reserve fund balances may be included as sources of funds for reserve work for budgeting purposes. Additional, actual reserve fund balances may be added to the reserves expense budget at any time with approval by the Board. All allocations of reserve fund balances to the reserves expense budgets shall be reflected in the monthly financial reports.

16.5.4 NON REIMBURSABLE TRANSFERS OF OPERATING FUNDS TO RESERVE ACCOUNTS
Transfers of operating funds to reserve accounts to pay for reserves work without reimbursement from reserve accounts may be carried out only on request by the district director, and only to the extent that the operating funds are adequate, as determined by the Budget and Finance committee.

16.5.5 REQUIREMENT FOR DIRECT WITHDRAWAL FROM RESERVES FOR CURRENT RESERVES BILLABLE WORK IN A PROJECT
Any director may establish a threshold expense amount above which current reserves billable expenses of the director's Project(s) shall be paid directly to the vendor by withdrawal from the Project's reserve account(s). Such withdrawals of funds require signatures of two of the following three officers: the President, the Treasurer, an Assistant Treasurer, and shall be completely documented.

16.5.6 REIMBURSABLE USE OF OPERATING FUNDS FOR CURRENT RESERVES BILLABLE WORK

A Project's operating fund balances in excess of current operating fund needs may be expended for current reserves billable work, with reimbursement from the Project's reserves account(s) within 30 days. For purposes of this rule, drawing down an operating fund below current operating needs, on an accrual basis, is permissible if the drawdown is to be reimbursed from reserve accounts before the drawdown is realized on a cash basis.

Two or more expenditures of operating funds for reserves work, other than retention payments, may be reimbursed by a single, completely documented withdrawal from the Project's reserve account(s).

Any withdrawal from reserve accounts to reimburse operating accounts requires signatures of two of the following three officers: the President, the Treasurer, and of the Assistant Treasurer.

Reserve funds will not be placed in operating accounts in anticipation of future payments for reserves work from the operating fund. This prohibition applies, without limitation, to the retention payments.

16.5.7 BOARD APPROVAL REQUIRED FOR ALL LOANS OF RESERVE FUNDS TO OPERATING ACCOUNTS

Loans of reserve funds to operating accounts to temporarily make up shortfalls in the operating accounts are not permitted, except by order of the Board at a regular or special Board meeting to which the owners of the funds have been invited. Any proposal for such a loan shall be accompanied by a repayment plan subject to Board approval.

16.6.0 RETENTION FUNDS

Reserve funds retained from a contractor to assure satisfactory performance by the contractor may be used by the Project to finish work left incomplete by the contractor, but when the work is completed, any remaining retention funds shall be tendered to the contractor. If any such payment is not accepted by the contractor within 3 years after the date of the tender, the contractor shall be sent a notice of potential escheat. If at the end of the fourth year the payment has not been accepted, the retained funds shall be transferred to the State of California.

Payments of retained funds shall be made directly from the reserve accounts, or as individual transactions by the operating funds, with individual reimbursement from the reserve accounts.

Interest of retained funds shall be credited to the Project's reserve account.

December 9, 2002
September 8, 2003
May 9, 2005
July 10, 2006
February 14, 2011
May 11, 2015

Authority to spend funds varies with the source of funds, use of the funds, and the amount to be spent, and is governed generally by limits of Board-approved Project budgets. The budgeted amount for each primary category of expense may not be exceeded except by written consent of the District Director for the Project.

17.1.0 RESERVE FUND EXPENDITURES

The Board adopts a reserve fund expenditure budget for each Project for items such as building maintenance, rehabilitation, and roofing each year after input by the Project's District Director, outside consultants and the managing agent. In Projects that have special amenities, the reserve budget may include a line item or items to cover major repairs and/or replacements of the major components of the special amenities.

The Board adopts a reserve fund revenue budget that may include regular or "coupon" assessments, interest income, and income from special assessments. In addition, the approved budget may provide for using part of the reserve fund balance to cover budgeted expenses in excess of current revenue. Budgeted expenses that rely on special assessments may be authorized only if the special assessments are approved, if required by law, by the Project membership. Budgeted expenses that rely on the use of reserve fund balances may be authorized only if the fund balances are sufficient.

The managing agent is authorized to spend reserve funds by contract or work order within limits of the Board-approved Project budget, subject to limitations stated in the preceding paragraph and subject to approval by the Project's District Director; provided, all contracts in any amount, and all work orders for goods or services for a Project or Projects in excess of $5,000 or $50 per unit, whichever is less, shall be signed by the President or a Vice President and reported to the Board.

Pursuant to Civil Code section 1365.5(b), withdrawal of funds from the reserve accounts requires signatures of any two of the following three persons: the President, the Treasurer, and an Assistant Treasurer.

17.2.0 OPERATING FUND EXPENDITURES

The Board adopts an operating fund expenditure budget for each Project each year after input by the Project's District Director and the managing agent. The operating fund budget may cover, among other things, costs of enhanced landscaping, tree removal, and maintenance of special amenities such as swimming pools, ponds and fountains previously covered in a Project Improvement Fund.

The Board adopts an operating fund revenue budget that may include regular or "coupon" assessments and interest income. In addition, the approved budget may provide for using part of the operating fund balance to cover budgeted expenses in excess of current revenue.

Budgeted expenses that rely on the use of operating fund balances may be authorized only if the fund balances are sufficient.

The managing agent is authorized to spend operating funds by contract or work order within limits of the Board-approved Project budget, subject to limitations stated in the preceding paragraph***s*** and subject to approval by the Project's District Director for any expenditure for Building Maintenance and Public Works, Landscape Maintenance, or Pool and Pond Maintenance, and provided that all contracts in any amount***,*** and all work orders for goods or services for a Project or Projects in excess of $5,000 or $50 per unit, whichever is less, shall be approved in advance by the District Director(s) and signed by the President or a Vice President and reported to the Board. If a contract or work order is to be charged against all Projects, two of these officers must sign.

The managing agent is also authorized to debit each Project's operating account, within limits of the Board-approved Project budget, for the Project's utility bills and for the Project's share of Mutual-wide professional services, income taxes, and general and administrative expenses billable to all Projects on a per-unit basis.

17.3.0 GENERAL LIMITATIONS ON CONTRACTS AND WORK ORDERS
To be approved without action by the entire Board, all contracts and work orders must meet our general requirements for structure and content, must have been approved by the District Director in accordance with policy, must be for expenses within the Project's budget limits, and must be supported where appropriate by suitable scopes of work, specifications, and warranties.

Each contract or work order for reserve fund or operating fund work shall specify a dollar amount. Within budget limits, this dollar amount may be increased, up to a total of $5,000 or $50 per unit, whichever is less, with approval by the District Director. Contract and work order amounts at or above $5,000 or $50 per unit, whichever is less, may be increased, within budget limits, up to 5% of the original contract amount, with approval by the District Director. Additional increases, within budget limits, require approval by the District Director and the signature of the President or a Vice President. Budget limits may not be exceeded except by permission of the Project's District Director and approval by the Board.

17.4.0 EXERCISE OF PROJECT DISTRICT DIRECTOR'S APPROVAL AUTHORITY
Any director who will be absent from Rossmoor for a period of seven days or more may delegate to the chairperson of the appropriate Third Walnut Creek Mutual Board maintenance committee, in writing, for the duration of the director's absence, the director's authority to approve expenditures of Project reserve and operating funds.

If the need for a director's approval is urgent, but the director is incapacitated, or absent from Rossmoor without having delegated approval authority, the approval authority shall be exercised jointly by the president and the chairperson of the appropriate maintenance committee.

17.5.0 EXPENDITURES FOR EMERGENCY REPAIRS
The managing agent is authorized to approve expenditures for emergency repairs. Such expenses must be reported at the earliest opportunity –

to the Project's District Director, if the amount exceeds the maximum non emergency expense permitted by the Director without prior approval; and

to the President or the Treasurer, if the amount exceeds $5,000 or $50 per Project unit, which ever is less.

17.6.1 EXPENDITURE OF FUNDS IN EXCESS OF BUDGET LIMITS
Non-budgeted expenditures of fund balances may be permitted when there is an urgent need. All such expenditures must be approved in advance by the Project's District Director and the President or a Vice President, and reported to the Board. For purposes of this policy, a non-budgeted fund balance expenditure is any use of the year's beginning fund balance other than budgeted expenditures from that balance.

October 30, 2001
October 11, 2004
June 13, 2005

The Board will not enforce any policy that has not been promulgated among the members of Third Walnut Creek Mutual.

The Board shall encourage voluntary compliance by all reasonable means before undertaking involuntary compliance action.

Notwithstanding any other provision of these policies, the Board shall not impose a fine except in accordance with a schedule of fines approved by the Board and distributed to the owners. Refer to Appendix A for a current schedule of fines.

March 11, 1996
January 13, 2000

19.0.0 DISTRIBUTION OF WRITTEN MATERIALS

Third Walnut Creek Mutual's written materials described below are available to all persons who have a corporate need to know the information, and are ordinarily distributed as indicated below.

Type of Material	Third Walnut Creek Mutual	Golden Rain Foundation
Meetings of regular Board meetings	Directors and Officers TWCM legal counsel.	Chief Executive Officer Director, Mutual Operations 2
Recap of regular board meetings (board actions and directives, when produced)	Directors and Officers TWCM legal counsel	Director, Mutual Operations 2
Minutes of executive sessions	Directors and Officers TWCM legal counsel	2
Confidential correspondence documents or reports related to resident personal problems.	Directors and Officers	2
Other correspondence or reports marked "confidential" by the originator.	Recipients specified by the originator	Recipients specified by the originator
Correspondence and reports produced by board services staff relating to Third Walnut Creek Mutual matters	Recipients specified by the originator	Recipients specified by the originator
Correspondence to and from legal counsel	Directors and Officers Recipients specified by the originator	Recipients specified by the originator.

1. Minutes and recapitulations are also available in the Board Office to any member on request. Members may read the documents, and may obtain copies on payment of a fee to cover the cost of duplication and distribution.

2. The Secretary may provide information copies to other Golden Rain Foundation officials on a need-to-know basis.

March 11. 1996
January 13, 2000

20.0.0 MANAGING ADDITIONAL CONDOMINIUM PROJECTS

Third Walnut Creek Mutual is an association created for the purpose of managing condominium projects and, on request, will consider undertaking management of additional independent condominium projects in Rossmoor that were first occupied before January 1, 1993.

March 11, 1996
January 13, 2000

21.0.0 TERMINATION OF MEMBERSHIP IN TWCM

The members of any Project, or Group of Projects, may terminate their memberships in Third Walnut Creek Mutual pursuant to Article XIII of the bylaws by following procedures established by the Board.

These procedures are set forth in Appendix A.

August 13, 2001

22.0.1 SCOPE
Notwithstanding any other law or provision of the governing documents, elections regarding assessments legally requiring a vote by the affected Projects, election and removal of members of the association board of directors by vote of the members of the TWCM districts, certain amendments to the governing documentsu, or the grant by vote of members of a Project of exclusive use of common area property pursuant to Civil Code Section 4600 shall be held by secret ballot in accordance with the procedures set forth below. Elections for other purposes may, at the discretion of the Board, be held at duly noticed meetings of the members or by mailed ballots pursuant to this section.

22.0.2 EQUAL ACCESS RULE
Candidates for office, and members advocating a point of view, shall have equal access to TWCM media, newsletters, or Internet Web sites during a campaign, for purposes that are reasonably related to that election. TWCM shall not edit or redact any content from these communications but may include a statement specifying that the candidate or member, and not TWCM, is responsible for that content. Candidates for office, including candidates who are not incumbents, and members advocating a point of view, including viewpoints not endorsed by the board, shall have equal access to the common area meeting space, if any exists, during a campaign, at no cost, for purposes reasonably related to the election.

22.0.3 QUORUM
The quorum for the transaction of business at membership meetings at the Project, district, and Mutual levels, and for election of a district director, is twenty percent (20%)***** of the members eligible to vote, except that the quorum shall be three (3) members eligible to vote if the sole purpose of the meeting is to count and tabulate secret mail ballots. A quorum for meetings of the Board of directors, including the organizational meeting, is a majority of the directors. Generally**,** a majority of votes cast by at least a quorum shall decide an election to office or any other question brought to a vote, however, approval by 67% of the members in a Project is required to allow exclusive use of common property, and the quorum for Project elections on certain special assessments, and for raising regular assessments more than 20%, is more than 50% of the members of the Project. Additionally, where a governing document provides that its amendment requires more than a majority of at least a quorum, the provisions of the governing document will control. (*****Revised Bylaws adopted May 17, 2007 reduced quorum to 10%)

22.0.4 VOTING RIGHTS

All members as of the date of the election or vote shall be qualified to vote in that election. All members shall have one vote in any election and shall have the voting power assigned to them in the Governing Documents. Members shall not be denied a ballot for any reason other than as set forth in the Election and Voting Rules set forth in this TWCM Policies and Procedures 22.0.0 Elections.

22.0.5 PROXIES

Any member may name a proxy to vote instead of the member on any matter that the member is entitled to vote upon in a meeting of members. Any valid proxy shall be counted toward the quorum for a meeting of members**.** Proxy cards supplied by TWCM and submitted in connection with the annual meeting of the corporation are authentic and shall be validated under direction by the Inspector(s) of Election. Any other proxy declarations offered in behalf of the members shall be authenticated and validated under direction by the Inspector(s) of Election. A ballot cast by proxy shall count toward formation of a quorum for deciding the matter at issue**.**

Any instruction given in a proxy that tells the proxy holder how 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 shall cast the member's vote at the meeting of members as directed by the member. The proxy may be revoked by the member prior to the receipt of the ballot by the Inspector(s) of Election as described in Section 7613 of the Corporations Code.

22.0.6 VALIDITY OF PROXIES

If two or more proxy cards are received from the same membership, and they are marked identically, they shall be accepted as one proxy. If two or more proxy cards are received from the same membership, and they are marked differently, both are disqualified. An unsigned proxy card, or a proxy card signed by somebody other than the owner or an owner’s representative, is disqualified. A proxy card naming three TWCM officers if otherwise unmarked will designate the three officers as proxies; however, if an officer’s name is struck out, the remaining officers are designated as proxies; provided, if another name is written in by the member, that person and none of the officers is designated as proxy. A proxy card marked to indicate the proxy is granted conditionally is disqualified. The Inspector(s) of Election shall determine the authenticity of any other document naming a proxy.

22.0.7 VOTING PERIODS

In any election by secret ballot, the polls are considered open when the ballots are mailed to the membership. The polls are considered closed at the end of business on a day, not earlier than thirty (30) days after the polls open, to be specified on the ballot.

22.1.1 SELECTION
The Board of Directors shall appoint one or three independent parties as Inspector(s) of Election for each election by mail ballot. The Board shall allow the Inspector(s) of Election to appoint and oversee additional independent third parties to verify signatures and to count and tabulate votes. For the purposes of this rule, an independent third party may be a member of the association, but may not be a member of the board of directors or a candidate for the board of directors or related to a member of the board of directors or a candidate for the board of directors. An independent third party may not be a person or business entity, or subdivision of a business entity currently employed or under contract to the association for any compensable services.

22.1.2 DUTIES: THE INSPECTOR(S) OF ELECTION SHALL

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

Determine the authenticity, validity, and effect of proxies, if any.

Receive ballots.

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

Count and tabulate all votes.

Determine when the polls shall close, consistent with the governing documents.

Determine the tabulated results of the election.

Perform any acts as may be proper to conduct the election with fairness to all members in accordance with this section, the Corporations Code, and all applicable rules of the association regarding the conduct of the election that are not in conflict with this section.

Perform the Inspector(s) duties impartially, in good faith, to the best of the Inspector(s) ability, and as expeditiously as is practical. If there are three inspectors of election, the decision or act of a majority shall be effective in all respects as the decision or act of all. Any report made by the Inspector(s) of Election is prima facie evidence of the facts stated in the report

22.2.1 BALLOT MAILING
Ballots and two preaddressed envelopes with instructions on how to return ballots shall be mailed by first-class mail or delivered by the association to every membership not less than 30 days prior to the deadline for voting. In order to preserve confidentiality, a voter may not be identified by name, address, or lot, parcel, or unit number on the ballot. The ballot itself is not signed by the voter but is inserted into an envelope that is sealed. This envelope is inserted into a second envelope that is sealed. In the upper left-hand corner of the second envelope, the voter shall sign his or her name in the space provided below the unit file number. The second envelope is addressed to the Inspector(s) of Election, who will be tallying the votes. The envelope shall be mailed to a location specified by the Inspector(s) of Election. Ballots submitted by any other method will be disqualified. The member may request a receipt for delivery. Once a secret ballot is received by the Inspector(s) of Election, it shall be irrevocable**.**

22.2.2 CUSTODY OF BALLOTS
The Election Inspector shall maintain in the inspector's custody or at a location designated by the inspector the sealed ballots, signed voter envelopes, voter list (which shall include the member's name. their Third Mutual address and if applicable, their mailing address [members may verify their information at any time prior to 30 days before the ballots are distributed]) and candidate registration list until the date scheduled for the tabulation of the vote; and, until the time allowed by Civil Code Section 5145 for challenging the election has expired. No person, including a member of the association or an employee of the management company, or an Inspector or Inspectors of Election, shall open or otherwise review any ballot prior to the time and place at which the ballots are counted and tabulated. If there is a demand to inspect the ballots or challenge to the election, the Election Inspector shall make the ballots available to the requesting member or the member's authorized representative. On the date of the tabulation and counting, the sealed ballots may be transported to the location of the meeting to count and tabulate the ballots. Any recount shall be conducted in a manner that preserves the confidentiality of the vote.

22.2.3 COUNTING AND TABULATION
All votes shall be counted and tabulated by the Inspector(s) of Election or his or her designee(s) in public at the open meeting of the board of directors, or an open meeting of the members (Project, district, or mutual) entitled to vote, announced in the ballot solicitation. Any candidate or other member of the association may witness the counting and tabulation of the votes. The tabulated results of the election shall be promptly reported to the board of directors of the association and shall be recorded in the minutes of the next meeting of the board of directors and shall be available for review by members of the association. Within 15 days after the election, the board shall publicize the tabulated results of the election in a communication directed to all members.

22.2.4 VALIDITY OF BALLOTS

During the counting of ballots by or under direction by the Inspector(s) of Election, if two or more ballots are received from the same membership, and they are marked identically, they shall be accepted as one ballot. If two or more ballots are received from the same membership, and they are marked differently, they are disqualified. An unmarked ballot is disqualified. A ballot marked both Yes and No is disqualified. A ballot marked to indicate the vote is conditional is disqualified. Any unofficial ballot is disqualified.

22.3.0 CANDIDATE QUALIFICATIONS, NOMINATIONS AND DISQUALIFICATIONS

1. All candidates for the Board of Directors must be members of the Third Walnut Creek Mutual at the time of their nomination and in good standing. In good standing shall mean all assessments are paid in full at the time of the nomination/election; and, the member's right to run for office has not been suspended due to the violation of the Third Walnut Creek Mutual and/or their Project's Governing Documents, including but not limited to operating rules/policies, Declaration of Covenants, Conditions and Restrictions, By-Laws or Articles of Incorporation. Once elected, a director shall also be required to remain current in the payment of regular and special assessments; and not suspended due to violations of the governing documents.

2. Any member can nominate any other member, including themselves, as a candidate for the Board of Directors by submitting a written statement that they are nominating the person named as a candidate and including their address and telephone number to the Board of Directors or the Manager for the Third Walnut Creek Mutual. Nominations shall begin at least three (3) months and seven (7) days prior to the meeting to count and tabulate the election ballots. The due date for the receipt of nominations shall be one week prior to the deadline for the mailing of the Notice of Meeting to Count and Tabulate the ballots to allow time to include the names of the nominees in the Notice of Meeting.

3. The Third Walnut Creek Mutual shall disqualify a person from a nomination as a candidate if they are not a member at the time of the nomination; or at such time as it is learned that the proposed candidate is not a member. The Third Walnut Creek Mutual may also disqualify a candidate for the following reasons:

a. If another person who holds joint ownership in the same separate interest unit/parcel and the other person is nominated or currently serving on the board of directors;

b. If the person has been a member for less than one year;

c. If the person has a criminal conviction preventing the Third Walnut Creek Mutual from purchasing a Civil Code Section 5806 Fidelity Bond, or if the conviction would cause the existing bond coverage to terminate should the person be elected;

d. If the person is not current in the payment of regular or special assessments, unless,

i. The assessment was paid under protest;

ii. The person has entered into a payment plan to repay the assessment; or,

iii. the person has not been provided the opportunity to engage in internal dispute resolution.

e. If the person is currently in violation of the Third Walnut Creek Mutual or their Projects governing documents.

22.4.0 DELETED AND INTENTIONALLY LEFT BLANK

22.5.0 ELECTION AND APPOINTMENT OF OFFICERS OF THE CORPORATION
The initial election of the required officers of the corporation and appointment of additional officers of the corporation. takes place at the organizational meeting of the new Board following the annual meeting of members of the corporation. The new Board shall appoint an Inspector or Inspectors of Election for the purposes of this meeting.

22.5.1 ELECTION OF REQUIRED OFFICERS
The offices of President, Vice President, Secretary, and Treasurer shall be filled initially, and in the order named, by and from among the directors of the corporation. Where there is only one candidate for an office, the chairperson of the meeting shall cast a majority ballot for that candidate, who shall then be declared elected. If there are two or more candidates for an office, the Inspector(s) of Election will oversee an election by secret ballot. A majority of votes cast by at least a quorum shall determine the winner in such an election. Ties shall be broken immediately by a runoff election.
These officers shall serve at the pleasure of the Board. Vacancies in office shall be filled by election under supervision by an Inspector or Inspectors of Election at a regular meeting of the Board.

22.5.2 APPOINTMENT OF ADDITIONAL OFFICERS
The Board may appoint additional officers at the organizational meeting or at any regular Board meeting. The persons appointed need not be members or directors of the Mutual. These officers serve at the pleasure of the Board.

❶ Usually, governing documents called “rules” (policies and procedures) may be amended by the Board without a mail ballot vote, provided the members have an opportunity to comment on proposed changes before the changes are finally adopted by the Board. However, a rule change shall be put to a secret ballot vote if (1) such a vote is required by the rule itself or by any other governing document, or (2) the proposed rule change would establish a new requirement for voting by secret ballot, or delete a current requirement for voting by secret ballot.

❷ If there is a recount or other challenge to the election process, the Inspector(s) of Election shall, upon written request, make the ballots available for inspection and review by an association member or his or her authorized representative. Any recount shall be conducted in a manner that preserves the confidentiality of the vote.

February 10, 2020

TWCM corporate records shall be retained only so long as: (1) they are necessary for the conduct of the Association's business; (2) required to be kept by statute or government regulation; or (3) relevant to pending or foreseeable investigations or litigation. To that end, the following retention periods shall be applicable for the categories of records described. Documents in these categories shall routinely be destroyed after the retention periods shown, unless good cause exists for keeping a particular record for a longer period.

Document Category	Retention Period
Governing Documents (CC&Rs, Bylaws, Articles and Rules and all amendments)	Permanent
Approved Board and Committee minutes	Permanent
Filings with Dept. of Corporations	Permanent
Operating Budgets, Financial Statements and Reserve Studies per Civil Code §1365	Permanent
Attorney Opinion Letters and Similar Correspondence	Permanent
Settlement Documents	Permanent
Insurance policies	Permanent
Federal and State Tax Returns	6 years
Bank statements & cancelled checks	6 years
Cash Receipts and Disbursement Records (including billing/aging ledgers, accounts payable ledgers and vendor invoices)	6 years
General Ledgers	6 years
General Correspondence	5 years
Contracts Which Have Been Fully Performed	4 years after completion of work or services
Warranties	Warranty period + 4 years
Litigation Documents (Pleadings, depositions, etc)	1 year after completion of litigation
Ballots and tally sheets for elections	1 year after election

Additional record retention specifics are set forth in Appendix A.

June 11, 2007

In general, Third Walnut Creek Mutual shall obtain and maintain liability / property insurance policies as follows:

24.1.1 Liability and Fidelity Insurance.

The Mutual shall obtain and maintain the following liability policies:

24.1.2 Commercial General Liability Policy:

A Commercial General Liability policy insuring the Mutual, any manager, the Mutual's directors and officers, and the Owners against liability arising from any bodily injury or property damage as a result of an accident or occurrence within the Common Area. Subject to the terms and conditions of the policy, the policy also shall cover bodily injury or property damage from an accident or occurrence within any Unit related to any maintenance or repair work required to be performed by the Mutual pursuant to the Declaration and/or the Mutual's Maintenance Polices, including, but not limited to, work performed in the Common Area. The policy shall include, if obtainable, cross liability or severability of interest coverage. The limits of such insurance (including the commercial general liability and any excess liability coverage) shall not be less than the general liability insurance requirements set forth in Civil Code section 1365.9 or any successor statute thereto covering all claims for bodily injury and property damage arising out of a single occurrence. The coverage may be a combination of primary and excess policies. The insurance shall be provided with coverage terms provided by Insurance Services Offices (ISO) form CG 0001, or equivalent or better coverage. Such insurance shall include coverage against liability for owned, non-owned and hired automobiles and other liability or risk customarily covered with respect to projects similar in construction, location and use. The policy shall be primary and noncontributing with any other liability policy covering the same liability.

24.1.3 Directors and Officers Liability Policy:

A Directors and Officers Liability policy containing such terms and conditions as are normally and customarily carried for directors and officers of a common interest development and in sufficient amounts to satisfy the insurance requirements of Civil Code section 1365.7 or any successor statute thereto.

24.1.4 Crime Insurance:

A blanket Commercial Crime Insurance Policy covering the Mutuals, any organization or person who either handles or administers or is responsible for Mutual funds, whether or not any person receives compensation for services. The policy amounts shall satisfy the Federal National Mortgage Association ("FNMA") and Federal Housing Administration ("FHA") requirements and in no event shall be less than the sum of three months of assessments on all Units subject to assessments.

24.2 Mutual Property Insurance:

The Mutual shall obtain and maintain a master property insurance policy that satisfies each of the following conditions:

24.2.1 Property covered:

The Mutual's policy shall cover the following real and personal property:

(i) *Common Area*. All Common Area Improvements, including buildings and any additions or extensions thereto; all fixtures, machinery and equipment permanently affixed to the building; window; fences; monuments; lighting fixtures situated outside the Units; exterior signs; and personal property owned or maintained by the Mutual; but excluding land; excavations; and other items typically excluded from property insurance coverage.

(ii) *Units.* Permanently affixed improvements situated within the Unit, including interior walls and doors; ceiling, floor and wall surface materials (e.g., paint, wallpaper, carpets and hardwood floors); utility fixtures (including gas, electrical and plumbing); cabinets; built-in appliances; heating and air-conditioning systems; water heaters and any replacements thereto; but excluding any personal property located in the Unit. If the Unit Owner renovates, upgrades or replaces any permanently affixed improvement within the Unit or adds new improvements to the Unit (collectively, the "Alterations") and the replacement cost of the Alterations exceeds the cost of the improvements prior to the Alterations, the Unit Owner shall be responsible for procuring and maintaining insurance to cover the excess unless the Owner has obtained written approval from the Mutual to make the Alterations and, to the extent required, approval from governmental authorities.

(iii) *Landscaping*. Lawn, trees, shrubs and plants located in the Common Area.

24.2.2 Covered Cause of Loss

The Mutual's policy shall provide coverage against losses caused by fire and risks of direct physical loss, as insured under the ISO "Causes of Loss – Special Form (CP 1030) " or is equivalent or better coverage. Such policy shall include coverage for loss resulting from the enforcement of any ordinance or law regulating the construction, use or repair of any property, or requiring the tearing down of any property, if caused by a peril insured by such policy. Equipment Breakdown Insurance shall also be maintained covering boilers and related equipment, heating, air-conditioning, electrical and mechanical equipment that is used in the generation, transmission or utilization of energy.

24.2.3 Dollar Limit

The dollar limit of the Mutual's policy shall not be less than the full insurable replacement value of the covered property described in Section 24.2.1 above based on insurance industry standards for determination of replacement values, provided that there may be lower dollar limits for specified items as is customarily provided in property insurance policies.

24.2.4 Primary

The Mutual's policy shall be primary and noncontributing with any other insurance policy covering the same loss provided, however, that where an Owner's individual insurance policy (discussed in Section 24.2.6 below) provided overlapping coverage, the Owner's individual insurance policy shall be the primary coverage and the Mutual's policy shall be excess/supplemental/secondary coverage as the case may be.

24.2.5 Endorsements

The Mutual's policy may contain such endorsements as the Board may select after consultation with a qualified insurance consultant.

24.2.6 Waiver of Subrogation

The Mutual waives all subrogation rights against any Owner or occupant and their family members and invitees. The policy shall include an acknowledgement of the Mutual's right to waive all subrogation rights against the Owner.

24.2.7 Deductible

Except as otherwise provided by separate agreement, when a claim is made on the Mutual's property insurance policy, the Owner is responsible for payment of the deductible on the Mutual's policy in circumstances: (i) where damage to Common Area and/or Unit Improvements is caused by the fault of the Owner, tenants, Contract Purchases, Residents, and agents, invitees, family members, guests and pets of any of the foregoing; or (ii) where damage to Common Area and/or Unit Improvements is caused by the

failure of some portion of the Unit or Common Area which the Owner is responsible for maintaining. In cases where fault cannot be determined, the Mutual shall pay the deductible.

The Mutual may enter into a deductible sharing agreement with other Rossmoor Mutuals. In this event, to the extent there is any conflict between the payment of deductibles as set forth in this Section 24.2.7 and the agreement, the agreement shall control.

24.3.0 FNMA, FHLMC, AND FHA Requirements

Notwithstanding anything herein to the contrary, the Mutual shall maintain such policies, containing such terms, amount of coverage, endorsements, deductible amounts, named insureds, loss payees, insurance company rating that shall satisfy the minimum requirements imposed by the Federal National Mortgage Association ("FNMA"), the Federal Home Loan Mortgage Corporation ("FHLMC") and the Federal Housing Administration ("FHA") or any successor thereto. If the FNMA, FHLMC, OR FHA requirements conflict, the more stringent requirements shall be met.

24.4.0 Insurance Rating and Cancellation

The insurance company providing the Mutual's insurance under Sections 24.1.1 and 24.1.2 shall have an A.M. Best rating of not less than A:VII if licensed to do business in the Sate of California and a rating of not less than A:X if approved but not licensed to do business in the State of California, provided that if the Board determines that insurance from insurance companies with the required ratings is not available at commercially reasonable rates, the Board may reduce the rating requirements after consultation with a qualified insurance consultant. If the A.M. Best ratings are no longer available, the insurance ratings shall be based on equivalent ratings issued by an independent insurance rating company used by financial institutions for insurance rating purposes.

24.5.0 Board's Insurance Authority

The Board has the authority on behalf of the Mutual and each of its Owners to participate with the Golden Rain Foundation of Walnut Creek or any successor or assign thereto (the "GRF") and other Rossmoor Mutuals in a group policy or policies procured and maintained by GRF as long as the requirements described in Section 24.1.1 and 24.1.2 subject to the Board's right to deviate from the requirement as described herein.

The Board shall have the power and right to deviate from the insurance requirements contained in Section 24 in any manner that the Board, in its discretion, considers to be in the best interest of the Mutual, provided that the Board shall maintain the minimum insurance requirements set forth in Civil Code sections 1365.7 and 1365.9 or in any successor statute thereto and as required in Section 24.1.3. If the Board elects to materially reduce the coverage from the coverage required in Section 24, the Board shall, as soon as reasonably practicable, notify the Members, in writing, of the reduction in coverage.

The board is authorized to negotiate and agree on the value and extent of any loss under any policy carried by the Mutual, including, but not limited to, the right and authority to compromise and settle any claim or enforce any claim by legal action or otherwise and to execute releases in favor of any insurer.

Each Owner irrevocably appoints the Mutual, as that Owner's attorney-in-fact for purposed of procuring, negotiating, accepting, compromising, releasing, settling, distributing and taking other related actions in connection with any insurance policy maintained by the Mutual and any losses or claims related there to and agrees to be bound by the actions so taken as if the Owner had personally taken the action.

24.6.0 Owners' individual Insurance Requirements

Each Owner is responsible for procuring and maintaining property insurance against losses to personal property located within the Owner's Unit as well as personal liability coverage. The Mutual's insurance policies will not provide coverage for: (i) losses to the Owner's personal property; (ii) losses to any Alterations to the extent not covered under Section 24.2.1(ii); (iii) liability from accidents or occurrences within the Owner's Unit or portions of the Common Area set aside for the exclusive use or possession of the Residents of the Unit (that is, Exclusive Use Common Area); or (iv) liability from accidents or occurrences within Rossmoor for which the Owner may be held responsible and which may not be covered under the Mutual's Commercial General Liability policy. Each Owner should seek the advice of a qualified insurance consultant regarding the Owner's property and liability insurance obligations under this Section 24.1.6 and other applicable coverage available to Owners of Units.

Nothing herein imposes any duty on the Mutual, its Directors, Officers or Agents (including the Mutual's Managing Agent) to confirm or otherwise verify that the Owners are carrying the insurance required in this Section 24.1.6.

No Owner shall separately insure any property covered by the Mutual's property insurance policy as described in Section 24.1.2 above unless the Owner's individual insurance policy permits the application of any overlapping coverage under Owner's policy as primary without a reduction in benefits from the coverage under the Mutual's policy. If any Owner violates this provision and, as a result, there is a diminution in insurance proceeds otherwise payable to the Mutual, the Owner will be liable to the Mutual to the extent of the diminution. The Mutual may, subject to Mutual's compliance with the notice and hearing requirements set forth in the Governing Documents, levy a Reimbursement Assessment against the Owner and the Owner's Unit to collect the amount of the diminution.

March 12, 2012

40.0.0 OCCUPANCY OF A MANOR
All occupants of a manor (including guests who stay for more than 21 days) must register at the Golden Rain Foundation Administration Office. The Golden Rain Foundation and Third Walnut Creek Mutual must acknowledge each registration.

Each occupant of a manor (other than a guest) must be a qualifying resident or a qualified permanent resident, or a permitted health care resident (as defined in the Civil Code) or a designated occupant. These definitions are summarized below.

A “qualifying resident” or “senior citizen” means a person 55 years of age or older.

To comply with Civil Code part 51.3(c), persons commencing any occupancy of a unit must include a senior citizen who intends to reside in the unit as his or her primary residence on a permanent basis. That intention shall be declared at the time of registration.

A “qualified permanent resident” means a person who meets both of the following requirements:

1. Was residing with the qualifying resident or senior citizen prior to the death, hospitalization, or other prolonged absence of, or the dissolution of marriage with, the qualifying resident or senior citizen.

2. Was 45 years of age or older, or was a spouse, cohabitant, or person providing primary physical or economic support to the qualifying resident or senior citizen.

“Qualified permanent resident” also means a disabled person or person with a disabling illness or injury who is a child or grandchild of the senior citizen or qualified permanent resident who needs to live with the senior citizen or qualified permanent resident because of the disabling condition, illness, or injury.

“Permitted health care resident” means 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.

A “designated occupant” is a senior citizen residing in a condominium unit within Third Walnut Creek Mutual who is the spouse, parent or child of the owner of the condominium unit and has been designated, in writing, by the owner as the approved occupant for the unit. A spouse living with such a person will also be considered a designated occupant. The owner shall transfer, in writing, all membership rights in Third Walnut Creek Mutual and Golden Rain Foundation to the designated occupant.

Appropriate forms for such transfer shall be approved and utilized by the Board. A person's status as a designated occupant shall end upon the death of the owner or transfer of the title to the unit.

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

In keeping with HUD and California Fair Housing standards, no more than three persons may occupy a one-bedroom unit or residence, and no more than five persons may occupy a two-bedroom unit, and no more than seven persons may occupy a three-bedroom unit.

The Board will investigate written reports alleging violation of the occupancy rules and take appropriate steps to ensure compliance.

Occupancy of a manor is further regulated by additional provisions of the Civil Code, by the Project Agreements Establishing Covenants, Conditions and Restrictions; by Golden Rain Foundation bylaws; and by Third Walnut Creek Mutual bylaws. Refer to Appendix A for a summary of these additional regulations.

February 12, 2001
September 9, 2002
May 14, 2012

41.0

Leasing (renting) is a process by which the owner of a condominium receives money or some other consideration in exchange for the right to occupy owner's unit. Because the community of Rossmoor is organized and operates to provide services and a stable living environment for its senior citizen inhabitants, Third Walnut Creek Mutual (TWCM) seeks to minimize the uncertainty and disruption that leasing units brings to the Mutual. Also, restrictions on leasing of units are necessary to ensure that the units within the Mutual continue to qualify for conventional mortgage financing and do not violate the occupancy requirements of a senior housing project, as well as to obtain other benefits for the residents of TWCM inherent in a community of residences that are primarily owner-occupied.

Accordingly, all leases in the TWCM must receive prior approval from the TWCM board or its designee. Furthermore, except as otherwise provided in Policy 41, each TWCM unit owner may only lease their unit as a whole, whether by a single lease or several leases, for a total of one year during the time the owner holds title to the unit.

41.1 HOW TO OBTAIN AN INITIAL LEASE

In order to accomplish these goals and to provide TWCM Owners the security required for a gated senior citizens' housing development, the following lease requirements shall apply**:**

1. Each lease must be written on the TWCM ***Lease Agreement*** form and approved in writing by the TWCM Board. Owners may obtain TWCM's ***Request to Lease*** and ***Lease Agreement*** forms from the Member Records Department at Gateway and shall return the completed forms to the Member Records Department.

2. The Board may approve a proposed lease for occupancy by more than two (2) persons in a 1-bedroom unit and more than three (3) persons in a 2-bedroom unit, upon a satisfactory showing of need by Owner, subject to approval by the Golden Rain Foundation.

3. An authorized agent of TWCM will evaluate the proposed lease for compliance with all applicable Governing Documents and Policies and recommend action to the Board.

4. The Board hereby delegates to the President or Vice-President and the Project Director (acting together) its authority to approve any proposed initial lease, except that the Board reserves to itself the right to approve any lease that will result in any occupancy normally prohibited by the terms of paragraphs 41.2.

5. The Board's action will be entered on the ***Request to Lease*** form, the form signed by the Board [and by Golden Rain Foundation where required] and the executed form returned to Owner.

41.2 BOARD'S ACTION IN RESPONSE TO A REQUEST FOR A LEASE RENEWAL OR A NEW LEASE TO A NEW LESSEE:

The Board will not approve a lease renewal or a new lease to a new lessee that will result in a total lease occupancy by the same owner for a period in excess of one (1) year except upon a showing of hardship to said owner acceptable to the Board. It is the intent of the Board to limit exceptions to this restriction to situations in which the Owner will suffer a unique hardship if a lease renewal or a new lease to a new lessee is not granted.

41.3 BOARD GUIDANCE

Any lease renewal or new lease to a new lessee shall be for no longer than one year, and may be for a shorter term as decided by the Board. The Board may require Owner to agree in writing to move back into his or her unit or sell when the lease period is over.

1. Following are examples of grounds which generally will not justify approval of a lease renewal or a new lease to a new lessee:
   a. Personal convenience;
   b. Voluntary change of employment;
   c. Inability to sell the unit for what Owner considers an appropriate price;
   d. Lack of knowledge or understanding of the lease restrictions**.**

2. Following are examples of grounds which may justify approval of a lease renewal or new lease to a new lessee. However approval of a lease renewal or new lease is not automatic upon a showing that one of these grounds exists; the Board will make a determination based on Owner's particular circumstances, on a case-by-case basis.
   a. Injury or illness requiring extended hospitalization or rehabilitation;
   b. Temporary deployment as military personnel;
   c. Temporary job transfer;
   d. Loss of job;
   e. Unique financial hardship which, in the Board's opinion, justifies approval.

January 13, 2000
March 30, 2007
July 14, 2008
July 8, 2013

42.1.1 OWNERSHIP LEASING AND TRANSFERS

Carport, garage, and golf cart spaces are:

1. Initially sold or deeded as *a portion of* the exclusive use common area of a condominium, or
2. Initially sold or deeded to a buyer or owner in a Project but *apart from* the exclusive use common area of the buyer's condominium.

A carport, garage, or golf cart space that is *a portion of* the exclusive use common area of a condominium remains with the condominium and may not be sold separately. The condominium owner may lease the carport, garage, or golf cart space, but only to another Rossmoor resident.

A carport, garage, or golf cart space that is *apart from* the exclusive use common area of a condominium property remains with the Project and may not be sold to a buyer outside the Project. The owner of the space may have exclusive use of it, lease it to any resident of Rossmoor, or sell it to another member of the Project. If the owner of the space ceases to be a member of the Project, and fails to sell the space to a member of the Project, ownership of the space will revert to the Project.

42.2.0 RESTRICTIONS ON STORAGE OF PROPERTY OTHER THAN VEHICLES IN CARPORTS

The owner of a carport is responsible for assuring that nothing is kept or stored in the carport except a vehicle (or vehicles) and neatly stacked firewood on the back wall. At no time may firewood or any type of container be placed between vehicles.

When articles are stored in a carport in violation of this rule, TCWM may, after giving 30 days written notice to the owner, remove the articles and store them in public storage at the owner’s expense and at the owner’s risk.

42.3.0 NON VEHICULAR USES OF CARPORTS

Upon application by the owner of a carport, on a form approved by the Board, the Board may permit temporary *non vehicular* uses of the carport that are not objectionable to the owner’s neighbors.

42.4.0 NONVEHICLULAR USES OF GARAGES

The parking space in each garage shall be used only for the parking of vehicles, except (1) during the first six months after the beginning of occupancy, and (2) when the occupant’s vehicles, if any, are parked elsewhere in exclusive use common areas assigned or leased to the occupant.

42.5.0 FLAMMMABLES

The storage of flammable liquids is prohibited except for solvents such as paint thinner or other volatile liquids smaller than one quart and propane tanks stored in open areas.

April 12, 2004
October 11, 2004
February 9, 2009

43.1. PARKING ON NAMED STREETS (TRUST PROPERTY)
Parking on named streets is subject to rules established by the Golden Rain Foundation and is not controlled by Third Walnut Creek Mutual.

43.2. PARKING IN PROJECTS
Parking in Projects is subject to general rules governing what kinds of vehicles may be parked, where they may be parked, and length of time they may be parked. Only passenger vehicles such as coupes, sedans, golf carts, vans, sport utility vehicles, and pickup trucks not wider than seven (7) feet and no longer than eighteen (18) feet may be parked in the Projects.

Any vehicle parked in a Project road, parking space, driveway, or carport must be currently registered in its home state and in a condition to be driven. However, any vehicle that presents a fire hazard or leaks oil may be excluded from parking, until the deficiencies are corrected, upon written notice by the District Director. The District Director may also encourage owners of visibly damaged or unsightly vehicles to park the vehicles only in carports or garages.

43.2.1 PARKING IN ENTRY ROADS GENERAL RULE
Vehicles may be temporarily parked at the side of the entry roads except where the curb is painted red, and not opposite outdoor marked spaces, or opposite driveways, or opposite intersections, or in marked turnaround areas, or anywhere that the total width of the entry road (edge to edge) is less than 20 feet, or where suitable off-road parking is available. GRF vehicles and contractors' vehicles may be parked at the roadside, but only during working hours.

43.2.2 PARKING IN OUTDOOR MARKED SPACES
Marked outdoor parking spaces are owned by all of the Condominium owners in a Project as tenants in common. The use of parking spaces may be restricted by posting a sign in front of the restricted spaces.

43.2.3 UNRESTRICTED PARKING SPACES
Parking spaces that are not posted with a sign may be used by Residents, Guests, and Visitors. However, Owners must use their garage and/or carport to store their vehicles before using non-posted parking spaces for this purpose except as allowed under Section 42.4.0 of TWCM Policy 42.0.0

43.2.4 RESTRICTED PARKING SPACES

43.2.4.1 PARKING SPACES POSTED "VISITOR ONLY"
Parking spaces posted with a sign stating "Visitor Only" are reserved for vehicles that are not owned by an Owner/Resident of a condominium Unit but for persons visiting an Owner/Resident for less than twenty-four (24) hours. Any vehicle

remaining parked for more than twenty-four (24) hours in "Visitor parking" is in violation of Third Walnut Creek Mutual's Parking Policies .

43.2.4.2 PARKING SPACES POSTED "GUEST ONLY"
Parking spaces posted with a sign stating "Guest Only" are reserved for vehicles that are not owned by an Owner/Resident of a condominium Unit, but for persons who are a Guests or Visitors of the Owner/Resident. Any vehicle remaining parked for more than seventy-two (72) hours in "Guest Parking" is in violation of Third Walnut Creek Mutual's Parking Policies.

43.1.5 GRF VEHICLES AND CONTRACTORS' VEHICLES
Subject to posted restrictions, GRF vehicles and contractors' vehicles that are not wider than 7 feet and not longer than 18 feet may be parked in marked spaces, but only during working hours.

43.1.6 PARKING IN DRIVEWAYS GENERAL RULE
No vehicle may be parked in a driveway where the vehicle would protrude into the entry road, or interfere with opening a garage door, or interfere with access to a garbage enclosure or manor entry. Vehicles that are not wider than 7 feet and not longer than 18 feet may be parked in driveways. No commercial vehicles may be parked in driveways overnight. GRF vehicles and contractors' vehicles that are not wider than 7 feet and not longer than 18 feet may be parked in driveways, but only during working hours.

43.1.7 PARKING IN CARPORTS
Vehicles parked in carports must be contained wholly within the carport structure, not protruding into the driveway or the entry road. Owners/Residents and, with the owners' permission, Guests and Visitors may park their vehicles in the carports at any time. GRF and contractors' vehicles may not be parked in carports.

43.1.8 PARKING IN GARAGES
Vehicles parked in garages must fit within a 9 foot by 20 foot floor space. Owners/Residents and with their permission, Guests and Visitors, may park their vehicles in the owner's assigned garage at any time. GRF and contractors' vehicles may not be parked in garages.

43.1.9 EXTENDED PARKING
Vehicles parked on entry roads or outdoor spaces or driveways continuously for more than 7 consecutive days may be considered abandoned and subject to removal.

43.2 VIOLATION OF PARKING POLICY
Any Owner of a condominium Unit may be subject to a monetary penalty as provided in Section 18, of Appendix A, of this Policy and Procedures Manual for any violation of a third Walnut Creek Mutual Parking Policy by an Owner's family member, lessee, visitor, guest, contractor, or agent.

43.3 AUTHORITY TO TOW
So long as the requirements of California Vehicle Code Section #22658 or comparable superseding statue are met, any unauthorized vehicle or any vehicle parked in violation of Third Walnut Creek Mutual Parking Policies may be towed to an appropriate storage facility. The owner of the vehicle shall be responsible for all towing and storage costs.

April 8, 2002
June 9, 2003
July 14, 2003
October 11, 2004
March 27, 2008
September 9, 2008

Project Covenants, Conditions, and Restrictions (CC&Rs) prohibit professional, commercial or industrial operations of any kind in any unit or the common areas. When an owner reports to the Board visible, outward indications that such activity is taking place, the Board will investigate.

"Visible, outward indications" includes, but is not necessarily limited to:

1. Distribution of advertisements giving a Rossmoor address as a place where goods or services may be purchased.

2. Automobile or pedestrian traffic in or about the Rossmoor address, apparently from clients other than residents.

3. Deliveries of merchandise or office equipment to be used in such activities.

4. Presence of signs, posters or other paraphernalia indicating a business name or other business information on or about a manor, or on a vehicle, or elsewhere in the Rossmoor community.

5. Presence of full or part-time employees conducting business activities at a Rossmoor address, whether the employees are hired directly or through a labor contractor. (These provisions do not apply to employment of persons to assist living.)

If the Board determines after investigation that there is substantial evidence showing an owner is conducting or allowing another person to conduct business activities in the owner's unit, the Board shall notify the owner in writing, setting forth the allegations, and invite the owner to appear before the Board to discuss the allegations. The Board may impose sanctions in accordance with the Project's CC&Rs if the Board determines, after hearing, that a violation of the letter and the spirit of the Project's CC&Rs has occurred. The Board may impose sanctions for each day that a violative business activity continues after the owner receives a notice of allegations from the Board.

March 11, 1996
January 13, 2000

To pay all assessments on time, owners must be aware of payment procedures, and allow ample time for mailing or hand delivery of payments. Third Walnut Creek Mutual provides coupons for payment of monthly carrying charges. Payments may be mailed directly to the address on the coupon, or placed in the drop box at the Administration Office at 1001 Golden Rain Road. Also, an owner or resident may arrange with Third Walnut Creek Mutual's managing agent to have payments automatically deducted from a bank account of the owner's or resident's choice.

45.1.1 ASSESSMENTS INCLUDED
The assessments referred to in this policy include, for each Project:

A. The monthly carrying charge, as set forth in the Project Covenants, Conditions, and Restrictions (CC&Rs).
B. Any special assessment approved by the Board (and if required approved by the Members) for such costs of common area construction or demolition, costs related to rebuilding the Project after damage or other expenses not included as part of the monthly carrying charge for which a special assessment is authorized by California law or the governing documents.
C. Any Personal Reimbursement Assessment imposed upon an individual owner for damage to the common area pursuant to Section 50.3.5 of these Policies and Procedures.

45.2.0 ASSESSMENTS DUE DATE
All regular and special assessments are due on the first day of each month, unless otherwise specified in the notice of assessment.

45.3.0 DELINQUENT PAYMENTS
Unpaid assessments become delinquent at 5:00 p.m. on the 15th day of the month. ①

Delinquent payments are subject to a late fee of 5% of the amount of the assessment. ② The delinquent assessment, the late fee (plus interest at 10% annual percentage rate beginning 30 days after the due date of the assessment ③) and any other applicable charge ④ will be billed each month, until the account balance is paid in full. It is Third Walnut Creek Mutual policy not to waive these fees.

Owners are personally liable for delinquent payments that accrued during their ownership. The Board may proceed against these persons in any way available under the law to collect delinquent amounts. (See Appendix A.)

45.4.0 REFERRAL FOR COLLECTION
Past due accounts that are seriously delinquent may be assigned by the Board to an outside agency for collection as set forth in Appendix A.

45.5.0 OWNER BILLABLE RECEIVABLES
Owner billable means costs that will be charged to the owner of a unit for work specifically for the benefit of the owner, or to repair damage caused by negligence; for example, backing into the garage door. Common examples are repairs or improvements inside a unit and landscaping work for the benefit of one unit; for example, tree trimming to preserve or improve a view.

Footnotes:

① A 15-day grace period is allowed by Civil Code §5650(b). This supersedes specifications in the Project CC&Rs.

② Civil Code 5650(b) permits a late charge of 10% of the delinquent payment or ten dollars ($10), whichever is greater, unless the declaration specifies a late charge in a smaller amount. Under the Project CC&Rs the permitted late payment charge is 5% of the amount of the assessment. To reconcile these rules, the late payment charge is set at 5% of the delinquent assessment. The late fee may be waived if the owner arranges for direct payment of the coupon amount by a bank.

③ Civil Code §5650(b) allows interest to accrue beginning 30 days after the assessment due date. Civil Code §5650(b) also sets the maximum interest at 12%, giving an exemption for homeowners associations from the general usury limit of 10% in the California Constitution. However, inasmuch as Golden Rain Foundation is not an association subject to the Civil Code, the interest limit on Golden Rain's portion of the assessment appears to be limited to 10%. Furthermore, the Project CC&Rs limit the interest rate to 10%. For these reasons, the interest rate is set at 10%.

④ Other applicable charges may include, among other things, reasonable collection fees and attorney fees.

January 13, 2000
September 12, 2005
September 20, 2007
May 11, 2015

46.0.0 LIMITATION ON IMPOSSITION OF FEES ON OWNERS

Third Walnut Creek Mutual's managing agent may not impose on members of the Mutual (either directly or by withholding from escrow accounts) any fee relating to Project operations without prior written authorization by the Board.

The Board-approved schedule of Project-billable and Owner-billable charges set forth in Appendix A constitutes prior written authorization.

April 8, 1996
January 13, 2000

Help is available for residents in health and property emergencies. ① Residents should be aware that payments may be required for certain kinds of emergency help.

47.1.0 HEALTH EMERGENCIES

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

47.2.0 PROPERTY EMERGENCIES

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

① Residents should take the initiative for reporting non emergency problems (such as outdoor lights burned out or broken sprinkler heads), any time but preferably on weekdays from 8:00 a.m. to 5:00 p.m. (See the Rossmoor telephone book for the telephone numbers).

January 13, 2000

Third Walnut Creek Mutual, as a community association, is responsible for repairs, maintenance, and replacements in the common area of each of the Projects. This means the buildings as originally built and as upgraded by the Project and the landscaping as planted by the developer and as upgraded by the Project. The owners are generally responsible for the condominium unit (as defined in Policy 0.3.0) and any appurtenant owner maintained garden area.

See Appendix A for specific information about the division of responsibilities for maintenance and repair.

48.1.0
ALLOCATION OF MAINTENANCE COSTS AND CERTAIN UPGRADING COSTS

Maintenance costs are paid by the Project or by the owner directly:

48.1.1 Project funds pay for:

1. All normal and necessary maintenance in the Projects' common areas including exclusive use common areas, such as entryways, buildings, walkways, elevators, patios, decks, carports, steps, bridges, landscaping,
and normal tree trimming.
2. Certain maintenance work in the unit such as replacing smoke detector batteries annually and painting exterior doors and air conditioners.
3. Clearing of drain lines that are outside of the unit perimeter unless the stoppage is due to misuse by the owner/resident.
4. Costs of maintaining amenities such as swimming pools, fountains, decorative ponds, and laundry rooms.
5. Upgrades of facilities such as area lighting, sidewalks, building and street signs, and for removing trees to reduce hazards to property or persons.

48.1.2 The owner pays directly for:

1. Most costs of maintaining a Unit
2. The cost of maintaining all alterations including alterations to the common property, except that alterations to the exterior of the building will be maintained by the Project starting with the first rehabilitation of the building after an alteration has been made.
3. Maintaining an appurtenant owner-maintained garden and the cost of the eventual conversion back to common area.
4. Tree trimming or removal requested by the owner (and authorized in accordance with policy 56.0.0 on owner maintained gardens) when the owner’s purpose is to preserve or improve the owner's view.

5. Cleaning of ducts, vents, and fireplace flues.

6. The cost to repair any damage to the common area or to any other condominium unit that is caused by the owners, family members, agents, lessees, guests or contractors

48.2.0 ALLOCATION OF INITIAL VISIT AND OVERHEAD CHARGES

The costs of first visits to determine responsibility for the work, and routine overhead charges for work actually performed, will be billed to the party responsible for the work (Project or owner).

48.3.0 LIMITATIONS ON EXTERNAL REPAIRS AND MAINTENANCE BY OWNERS AND RESIDENTS.

Except for touch-up painting by owners and residents, as permitted in the following paragraph, external repairs and maintenance shall be performed only by staff or approved contractors, whether the costs are Project billable or owner billable. Owners and residents shall not perform such work personally or engage other persons to perform such work. If an owner or resident initiates such work in spite of this rule, the owner or resident shall be liable for all costs of the work, including costs of restoring or refinishing the work area as necessary.

In order to assure proper preparation and proper selection of exterior paints, all exterior painting shall be carried out by staff or approved contractors, provided, owners and residents may apply properly selected courtesy paint (paint supplied by MOD at no direct cost to the owner) for minor touchup, with advance approval by the district director.

January 13, 2000
September 2003
February 9, 2009
February 14, 2011
July 8, 2013

Third Walnut Creek Mutual has general authority to conduct inspections in the Projects in order to manage, operate, and maintain the properties. Also, pursuant to Article III of the CC&Rs, Third Walnut Creek Mutual has the right to enter a Unit in an emergency or when necessary in connection with any maintenance or construction for which it is responsible.

Refer to Appendix A for a further explanation of these policies.

49.1.0 RESERVE STUDY INSPECTIONS

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

49.2.0 RESALE INSPECTION OF ALTERATIONS

Beginning October 1, 2002, in order to evaluate owner alterations to the exterior and interior of buildings, and to grounds, Third Walnut Creek Mutual shall inspect each property offered for sale. The seller shall pay for the inspection, and for any owner-billable remediation required. The seller is responsible for notifying Third Walnut Creek Mutual of the intended sale at the time of listing the property for sale with a realtor, or advertising the property for sale, and in any event not later than 21 days before the intended transfer of title. If the seller fails to give timely notice, Third Walnut Creek Mutual shall conduct the inspection upon being informed of the transfer of title, and the cost of inspection and any owner-billable remediation required shall be borne by the owner of record at the time of inspection.

The report of inspection shall be set forth in a format approved by Third Walnut Creek Mutual.

49.3.0 ADDITIONAL INSPECTIONS

Third Walnut Creek Mutual does not conduct periodic interior inspections, but may inspect the exterior and interior of buildings, and inspect grounds, as needed for the purposes of maintenance.

October 8, 2001
August 12, 2002

50.1.0 Insurance coverage Under GRF's Master Policy

50.1.1 Insurance Coverage Under GRF's Master Policy

As described in Policy 24.0.0, the Golden Rain foundation maintains a Master Policy insuring the real property of the Mutuals against losses incurred by hazards such as fire, floods, wind and wind-driven rain, and vandalism. This policy has a $100,000 deductible per occurrence. Real property of the Third Walnut Creek Mutual is insured through participation in the Master Policy. This policy also includes provisions for removal of debris and reconstruction in compliance with current building codes. The Master Policy does not insure personal property, personal liability of owners or residents, loss of use, or loss due to earthquake. If any provision in Policy 50.0.0 is in conflict with provisions in Policy 24.0.0 the latter policy controls.

The real property covered by the Master Policy includes:

50.1.2 Residential structures including manor buildings, carports and garages, and any other buildings or improvements within the common areas such as laundry rooms and club houses.

50.1.3 Permitted structural alterations to manors that have met the requirements of the Alteration Review committee, Third Walnut Creek Mutual, and the city of Walnut Creek (if required).

50.1.4 Originally installed fixtures, appliances, cabinetry, flooring, wall and floor coverings, and HVAC systems. Upgrades to any of these will be covered if the owner can verify their value at the time of loss.

In general, according to insurance industry standards, losses caused by normal wear-and-tear, dry rot, termites, and other types of progressive damage are excluded. Losses caused by rain leaks are also excluded unless they result from wind-driven rain. Settling and cracking of walls, foundations, and pavement, and damage from soil movement or underground water are also excluded. Damage to structural alterations is excluded if the Third Walnut Creek Mutual Alteration Review Committee and (if required) the City of Walnut Creek have not approved the alteration.

50.2.1 Paying for Losses

50.2.2 Damage to Real Property Outside of Third Mutual

The deductible portion of the Master Policy is shared among the participating Mutuals (Mutual 58 is currently not a participant) according to a sharing agreement as follows:

The affected Mutual pays the first $10,000 of the cost to repair the damage.

The remaining $90,000 is shared proportionately based on the number of units within each participating Mutual. The affected Mutual also pays its pro rata portion of the sharing.

If the total loss due to a cause as defined in 50.1 is less than $100,000 the cost to repair the damage is shared in the same manner.

50.2.3 Damage to Real Property within Third Mutual

If the loss is $10,000 or less the affected Project will only repair the damage to the common property as defined in sections 50.1.1 and 50.1.2. In this event items in sections 50.1.3 are regarded as personal property and are the sole responsibility of the owner. If the loss is covered by the Master Policy and is greater than $10,000 all costs of repair for items in 50.1 in excess of $10,000 are shared amongst the participating Mutuals according to the sharing agreement.

However, if a loss is $100,000 or less the condominium owner is responsible for the cost to repair any damage that is caused by the owner, the owner's family members or guests, agents, lessees, or contractors or damage which results from property, an appliance a system or a component of a system that is owned by the owner or for which the owner is otherwise responsible. But, the Master Policy does not take causation into account, so that when a claim is paid by the Master Policy the owner has no personal responsibility for the amount in excess of $100,000.

As notes above, the Master Policy does not provide protection for personal property or personal liability of owners or residents. Owners should obtain property and liability insurance (home owners insurance) to cover these costs. In all such cases this insurance is the primary insurance carrier. However, no owner shall separately insure any property covered by the Mutual's insurance described in 50.1 above.

50.2.4 Damage to Personal Property within the Third Mutual

When there is damage to an owners personal property caused by a defect in a Project's building structure (i.e. water entering through a leaky roof or a crack in the floor slab) the Project will share costs with the Owner according to insurance industry standards. The Project will share only the costs for repairing or replacing the property actually damaged and not all undamaged similar property in the manor. For example, if the covering on a wall is damaged, the Project will share the cost of replacing the covering on that wall but not adjacent walls in the same room or elsewhere in the manor.

50.3.1 Losses to Special Amenities Common Property

Each Project is solely responsible for losses to its special amenities common property such as ponds and swimming pools. Losses are covered by the Master Policy, but the deductible is not shared with other projects.

50.3.2 Losses to Personal Property in the Common Area

An Owner or Resident who places personal property in the Common Area, except in accord with an alteration agreement, assumes all risk of loss or damage to the property.

November 12, 2001
July 8, 2002
January 13, 2002
August 13, 2007
September 20, 2007
July 14, 2008
March 12, 2012

Owners are responsible for repair and maintenance costs resulting from failure to comply with the following alteration rules.

51.1.1 ALTERATION APPROVALS REQUIRED
Owner-initiated alterations to a condominium property may require approval in advance by the Board, the Alteration Review Committee, and the City of Walnut Creek.

Refer to Appendix A for further information, in the following documents:

- Alteration Application Form
- Authorization for Executing Alteration Agreements On Behalf of TWCM
- Alteration Permit Procedures
- Architectural Guidelines, Standards, and Application Process Document (dated September 15, 1993)

51.1.2 BOARD APPROVAL RESPONSIBILITY AND RIGHT TO INSPECT
The Board is responsible for approving any owner-initiated alteration as to legality, effect on neighbors, and detailed structural design as it affects maintenance costs and building integrity. Effective October 1, 2002, Third Walnut Creek Mutual requires resale inspections of alterations to manors. Third Walnut Creek Mutual also retains a right to inspect as needed for preventive maintenance. If at any time Third Walnut Creek Mutual discovers an alteration that has not been approved by the Board, the Alteration Review Committee, or the City of Walnut Creek as required, Third Walnut Creek Mutual will instruct the owners to obtain the required approvals or remove the alteration.

Refer to Appendix A for a list of standard alterations that the Board has approved, subject to concurrence by the District Director for the Project in which the alteration is proposed.

51.1.3 ALTERATION REVIEW COMMITTEE APPROVAL AUTHORITY
The Alteration Review Committee was established to control owner-initiated alterations to their manors, in order to maintain architectural conformity and harmony in Rossmoor. Nearly every change in the common area, and the exclusive use common area, of every Project is subject to approval by the Alteration Review Committee as well as the Board. (Refer to Appendix A for descriptions of changes requiring approval by the committee.)

51.1.4 CITY OF WALNUT CREEK APPROVAL AUTHORITY
City of Walnut Creek permits are required for any alteration involving work subject to the Uniform Building Code.

51.2.0 ALTERATIONS WITHIN THE BOUNDARIES OF A UNIT
Except for cosmetic changes, alterations inside the unit (such as adding or changing hard-wired appliances, making openings in walls, or replacing water heaters, air conditioning units or heat pumps) normally require the same approvals (Board, Alteration Review Committee, and City of Walnut Creek) that are required for exterior alterations.

51.3.0 CONSTRUCTION IN EXCLUSIVE USE COMMON AREAS
In general, alterations in the exclusive use common area are subject to the same approvals (Board, Alteration Review Committee, and City of Walnut Creek) that are required for alterations in the common areas.

Schematic diagrams or sketches may be adequate for simple jobs, but for complex jobs like enclosing a deck to provide additional living space, very careful and detailed design and construction drawings by a licensed architect or engineer are required. Rigid design standards must be followed to eliminate water penetration into the building structure, to avoid the costly repair of dry rot. A licensed architect will review the design at the owner's cost to assure that the waterproofing details and quality of design and materials are adequate to protect the structure from potential damage. The City of Walnut Creek requires permits and will make certain the design meets all applicable building codes.

51.4.1 CONSTRUCTION IN COMMON AREAS
Owners must obtain written authorization from the Alteration Review Committee and the Board before undertaking construction, alteration, or permanent installation of such things as patios, decks, fences, sidewalks, and concrete slabs in the common area.*

*an owner who wishes to place objects in the non-exclusive common area must follow these same procedures.

Initially, the owner must contact the managing agent (MOD) to determine if the proposed alteration requires a permit. If a permit is required, MOD will bring the proposal to the attention of the district director. The district director will grant preliminary approval, or confer with the owner and MOD to discuss modifications that might make the proposal acceptable. Once the proposal is accepted by the district director the owner must contact MOD to determine the necessary additional steps, which could include:

1. The owner issuing written notice to all other owners in the Project who might be affected by the proposed alteration, telling them precisely what is proposed, and obtaining their written approval for the alteration.

2. The owner submitting a Resident Alteration Agreement to the Architectural Control Committee and the Board for approval.

3. The owner obtaining City of Walnut Creek permits.

51.5.0 UNIFORM REQUIREMENT FOR AS-BUILT DRAWINGS
Contractors performing alteration work are required to submit "as-built" drawings to MOD upon completing the work.

51.6.0 RESPONSIBILITY FOR MAINTENANCE OF ALTERATIONS
As a general rule, current owners are responsible for maintaining alterations and are responsible for any impact of an alteration on the common area. Exceptions may be specified in the alteration permit. Where maintenance of the common area involves disturbing an approved alteration, the alteration shall be restored at the owner's expense unless the Board, on request by the Project District Director, requires the Project to pay for the restoration.

51.7.1 UNAUTHORIZED ALTERATIONS

51.7.2 If the current owner of a manor makes an alteration without obtaining the necessary permits, the alteration may be permitted to remain in place if it was one which would have been allowed had an alteration permit been obtained at the time the alteration was made. The owner will be required to obtain the proper permits and pay the applicable fees, based on the current fee schedule. If the alteration would not have been authorized in any case, the manor must be restored to its original condition at the owner's expense.

51.7.3 If the alteration was made prior to the present owner purchasing the manor, during a period when Third Walnut Creek Mutual did not conduct resale inspections, then before the alteration is allowed to remain in place and any entry is made in the manor's alteration records, the specific authorization of the appropriate Project Director and/or the Board of Directors must be obtained.

August 12, 2002
March 10, 2003
June 9, 2003
February 14, 2011

Relocation or replacement of an air-conditioner unit or heat pump, requested by an owner, will be at the owner's expense. The owner must request approval of the alteration from the Project Director and the Alteration Review Committee, in addition to obtaining a Resident Alteration Permit from Mutual Operations. The air-conditioner unit or heat pump must comply with the standards and requirements specified by the Mutual for such installations.

March 11, 1996
January 13, 2000
February 14, 2011

An owner who wishes to install or replace a floor covering *on a balcony* must obtain approval of a Resident Alteration Agreement by the Architectural Control Committee and by the Board before work is begun Installations of coverings (such as carpets and ceramic tile) will be approved only if:

incorporating an architect-approved "waterproof membrane;"

installed according to architect-approved procedures by installers certified by the covering manufacturer; and

applied with architect-approved adhesives.

The use of nails, screws, or any device that could penetrate the waterproof membrane is not allowed.

An owner who wishes to install or replace a floor covering *over a walkway at the entryway to a manor, or over an elevated walkway or landing,* must obtain written approval by other owners who use the same walkway, entryway, or landing, and other owners who might be affected by the proposed alteration. The owner must also obtain approval of a Resident Alteration Agreement by the Architectural Control Committee and the Board before work is begun. Such coverings will be required to be of architect-approved construction using architect-approved adhesives, to avoid damage when the coverings are removed.

March 11, 1996
January 13, 2000

If an owner applies for approval of a Resident Alteration Agreement to enclose an area beneath an open deck, the Board may require consent and/or waivers by all affected owners. Third Walnut Creek Mutual will also inspect the deck above and will require, as a condition of approval, waterproofing of the deck above at the expense of the applicant.

March 11, 1996
January 13, 2000

Hose bibs or drip irrigation systems installed on above-grade balconies (for watering plants or for any other use) have led to dry rot problems and will not be authorized. Unauthorized installations must be removed at the owner's expense. Any dry rot resulting from such installations will be repaired at the expense of the owner of the hose bib or drip irrigation system.

Previously approved hose bib installations on above-grade balconies must be removed at the seller's expense when the manor is resold.

Alteration permit requests for properly designed hose bib installations at ground level and for concrete slabs on grade will be considered for approval by the Board.

March 11, 1996
January 13, 2000

Owner Maintained Gardens are not encouraged, but they are permitted so long as they meet certain criteria. Owner Maintained Gardens require permits. The permit procedure is found in Appendix A, Policy 56.0.0.

56.1.0 RESTRICTIONS

Owner Maintained Gardens are subject to the following restrictions.

The garden must blend with and be compatible with the existing commercial landscaping, may not *materially* ❶ extend the landscaped area or modify the irrigation, and `must not contain *excessive*❶ statuary or other non-plant items.

❶ Director will interpret the italicized terms.
❷ Landscape Supervisor will interpret the italicized term.

The plants in the garden;
must not disturb sidewalks or building foundations.
may not be attached to a building.
may not direct irrigation water onto a building
may not obscure the view of another resident

Stepping Stones are not allowed.
Trees are not allowed.
Plants over two feet tall are not allowed within three feet of a building.
Trellises are not allowed.
Soil must be kept at least two inches below any siding.

56.2.0 MAINTENANCE

Owner Maintained Garden maintenance is the sole responsibility of the owner. Irrigation will not be modified to accommodate the garden and the Project is not responsible for plant loss due to irrigation problems. The gardeners will try not to damage any planting. The Project will not assume any responsibility should damage occur. Contractors working on the buildings will try not to damage plantings. Should damage occur, the Contractor and the Project are not responsible. Owners are responsible for moving plants in plant containers to avoid damage during construction or painting.

Owner maintained shrubs may be pruned be the Project at owner expense if the owner does not prune them within 15 days after pruning is requested by the Director.

Corrections required for owner modifications of the landscaping or irrigation are owner billable.

56.3.0 LANDSCAPE IMPROVEMENTS NOT REQUIRING A PERMIT
An owner or group of owners in a Project may wish, at their own expense, to improve the commercial landscaping. This is allowed without a permit as long as it does not *significantly* ❷ expand the landscaped area or maintenance expense. The procedure for doing this is covered in Appendix A, Policy 56.0.0.

56.4.0 FENCES
Fences may not be allowed if they are an encroachment on common property. Anyone wishing to install a fence should apply for an Alteration Permit.

56.5.0 WALKWAYS
Walkways require an Alteration Permit.

56.6.0 PERMIT REVOCATION
Owner Maintained Garden Permits may be revoked for violation of the restrictions in 56.1.0, or improper maintenance upon complaint of another resident or the Landscape Supervisor. Resident complaints should be directed to the Project Director in writing. If the Director determines that the complaint is valid the owner will be given written notice that the defect(s) must be corrected within fifteen days at the owner's expense. If the owner refuses to correct the defect(s) the permit will be revoked and the owner must restore, at the owner's expense, the area to landscaping that is acceptable for Project maintenance. If an owner refuses to restore the landscaping MOD will do the work and bill the owner. Owners may appeal these decisions by writing the President asking for a Board review. The Board decision is without further appeal.

56.7.1 RESALE RESTRICTIONS
If upon resale inspection a manor is found to have an Owner Maintained Garden, permitted or not, the buyer has two options. The buyer may assume the responsibility for the garden. If so, the seller must obtain an Owner Maintained Garden Permit if one does not exist. If the buyer does not agree to assume the responsibility for the garden the seller must restore, at the seller's expense, the garden to landscaping that is acceptable for Project maintenance. If this is not done before closing funds will be put in escrow to cover the restoration expense.

January 13, 2000
April 10, 2006
May 11, 2015

An owner may install a spa (generally, a tub equipped with a water pump, sometimes called a "Jacuzzi") upon approval of a Resident Alteration Agreement subject to the following conditions:

1. The prospective spa owner must obtain written approval from owners of neighboring units that might be impacted by the sight, sound, or odor of the spa operation.

2. A licensed engineer approves the installation.

3. The spa will be removed when the owner vacates or sells the condominium, unless at that time the owner reaffirms the neighbors' written approval.

4. The spa will not be used from 10:00 p.m. through 8:00 a.m.

5. People using the spa must consider the feelings of the neighbors about excessive noise. Third Walnut Creek Mutual reserves the right to further limit operation hours or revoke its approval for a spa if necessary to resolve complaints about excessive noise.

March 11, 1996
January 13, 2000

Placing walkways* in common areas or exclusive use common areas by residents is an alteration that requires approval as to the style and placement by the Alteration Permit Application Review Committee.

Walkways installed by the owner without permits may remain when reported, provided the owner obtains an Alteration Permit.

Walkways installed by the owner, with or without a permit, will be removed when reported and in any event not later than the time of resale. MOD Landscape will determine whether or not the walkways are hazardous. In cases of dispute they will consult with the District Director.

58.1.0 Exclusions

Walkways required for access to a device** attached or adjacent to a building may, with the Directors approval, not be considered an encroachment.

* A non-hazardous walkway has a uniform even non-slip surface that does not rise more than ¼" above adjacent surfaces.

** Hose bibs, electric meters, heat pumps, etc.

January 13, 2000
March 11, 1996
June 9, 2007
August 13, 2007
September 20, 2007
May 11, 2015
November 14, 2016

THIRD WALNUT CREEK MUTUAL
POLICY 59
HARD SURFACE FLOORING

This Policy pertains to all Condominiums within the Mutual. Installation of carpet does not require an alteration permit. All other flooring installations, including downstairs hard surface flooring, those requiring a change in materials, or the installation of hard surface flooring where there was previously soft surface flooring, require an alteration permit, regardless of whether a Manor is a lower or upper unit.

59.0.0 HARD SURFACE FLOORING

Installation of new hard surface flooring requires an alteration permit. All application permits must include a floor plan indicating where the hard surface flooring is to be installed. The installation of hard surface flooring cannot damage the existing sub flooring.

59.1.0 IN FRONT ENTRY AND KITCHEN

Hard surface floors -- such as tile, vinyl, and floating laminate or hardwood floors -- are allowed in the front entry way, kitchen, laundry room, over garage storage areas, a room containing a toilet and a bathtub or shower.

59.2.0 HARD SURFACE FLOORING IN UPSTAIRS UNITS

Hard surface flooring in areas other than the front entry way, kitchen, laundry room, over garage storage areas, a room containing a toilet and a bathtub or shower is not allowed in upstairs units.

59.3.0 HARD SURFACE FLOORING PREVIOUSLY INSTALLED WITH PERMIT

Any hard surface flooring that was installed with an alteration permit may remain. The owner may perform minor repairs to the flooring.

In lower ground floor units, the owner may replace hard surface flooring previously installed with a permit with replacement hard surface flooring, however a new installation permit is required.

Installation of replacement hard surface flooring in upper unit front entries, kitchens, a room containing a toilet and a bathtub or shower requires an alteration permit and approval of an alteration permit is not guaranteed.

59.4.0 HARD SURFACE FLOORING INSTALLED WITHOUT PERMIT

Any hard surface replacement flooring that was installed without the required permit shall be replaced at the owner's expense, by direction of the Board of Directors, or upon discovery of the violation by the Mutual, and in any event not later than the time of resale or transfer, with carpet or with hard surface flooring as permitted under 59.1.0.

59.5.1 CARPET OVERLAYMENT

The Board allows permitted hard surface flooring to remain in place if it is overlaid with padded carpet. An alteration permit is not required for the installation of carpet.

April 14, 2003
June 13, 2005
June 8, 2009
October 10, 2016
November 14, 2016

To preserve appearances and prevent damage to open decks, and for safety reasons, owners and residents must refrain from placing electrical appliances on open decks or patios overnight, refrain from crowding or overloading decks, and refrain from over watering plants on decks. Since patios and decks are exposed to public view, residents must make a concerted effort to keep decks and patios neat. These areas are not to be used as storage areas.

60.1.0 USE OF ELECTRICAL APPLIANCES
Electrical appliances that require access to electrical power overnight shall not be placed on open decks or patios. Such appliances include, without limitation, refrigerators and freezers. Temporary connections for other electrical equipment such as leaf blowers and barbeque spit motors are permitted.

60.2.0 CROWDING DECKS/PATIOS/STAIRWAYS
Objects including potted plants should not be placed where they will interfere with passage across open deck/patios/stairways or impede access to handrails. There must be a clear passage-way of at least three feet on both decks and stairways.

60.3.0 OVERLOADING DECKS
As a general rule, the weight of objects placed on a cantilever deck (a deck supported by beams protruding from the walls) should not exceed an average of 2 pounds per square foot of deck area. For example, the weight of objects placed on a 200 square foot deck should not exceed 400 pounds. The live load (people) is an average of about 60 pounds per square foot. Decks supported by foundations and bearing walls can bear additional weight.

60.4.0 OVERWATERING PLANTS ON DECKS
All plant containers on decks must be placed in saucers or the equivalent, to prevent excess water from spilling on the deck. Plants may be watered only with watering cans. Hoses in any form are not allowed. Over-watering is to be avoided to prevent continual wetting of the deck and runoff to other decks below. To the extent that over watering promotes dry rot, the owner may be held liable for repairs.

60.5.0 COMMON AREA DECKS
The foregoing rules apply also to common area open decks, such as the flat surface between the top of the stairs and the front door.

60.6.0 RESTRICTION ON USE OF ROOFS
To prevent damage to the roofs of the manors, garages, and carports, no objects or personal property of any kind or nature, including but not limited to flowers, pots, shrubs and statues, shall be displayed or placed upon the roof of any manor or garage or

carport; provided, solar energy panels and roof penetrations for improved lighting may be installed under TWCM-approved alteration permits.

February 10, 2003
November 14, 2005
February 9, 2009
May 11, 2015

61.1.1 OWNER-INITIATED ALTERATIONS SOLAR ENERGY SYSTEMS

Solar Energy Systems (as defined in Section 61.0.1 below) may only be installed by owners of a unit in Third Walnut Creek Mutual on the roof top of the condominium building in which the unit is located or adjacent carport or garage roof. No other Common Areas in Third Walnut Creek Mutual may be used for Solar Energy Systems by individual unit owners.

This policy is intended to conform to Civil Code Sections 714, 714.1, and 4746. In the event of any conflict between any provision of this Policy and any applicable statute, the terms of the statute shall prevail and supersede any contrary provisions in this Policy. This Policy shall be effective for all new installations on the date adopted and shall supersede all prior Mutual polices and rules pertaining to Solar Energy System installations.

61.1.2 DEFINITIONS

As used in this Policy, a "Solar Energy System(s)" is any solar collector or other solar energy device whose primary purpose is to provide for the collection, storage and distribution of solar energy. “Owner/Applicant” shall be the owner of the condominium unit requesting the installation of a Solar Energy System and any subsequent transferees of that unit. “MOD” is the Mutual Operations Division of Golden Rain Foundation of Walnut Creek, managing agent for Third Walnut Creek Mutual. “Mutual” is Third Walnut Creek Mutual.

The terms "Board," “Common Area,” "Exclusive Use Common Area," “Unit” and "Project" have the same definition as in the Bylaws of Third Walnut Creek Mutual. “Usable Solar Space” is the amount and location of space on a condominium building roof suitable to use for solar panel installations.

61.1.3 AVAILABILITY OF COMMON AREA SPACE

The installation of Solar Energy Systems in or on Common Area roofs is subject to a determination of Usable Solar Space, allocation of Usable Solar Space to the numbers of units in the condominium building.

The Usable Solar Space shall be calculated by the solar contractor of each Owner/Applicant in the building, and it shall include a calculation of the square footage available for the Solar Energy System and the allocated portion for each Unit in the condominium building.

The Mutual shall not be required to prune or allow pruning *or* removal of trees and/or shrubs which were planted before the Solar Energy System was proposed. However, trees or shrubs after the installation of the Solar Energy System may not be allowed to grow so as to cast a shadow greater than ten percent (10%) of the collector absorption area upon that collector's surface at any one time between the hours of 10:00 a.m. and 2:00 p.m. local standard time (California Public Resources Code Section 25982). Pruning needs shall be determined and dictated by the landscape or tree experts of the Mutual.

61.2.1 APPLICATION AND APPROVAL PROCESS

The installation of a Solar Energy System on a condominium building roof top results in the exclusive use of a portion of the Common Area by a member. The same review and approval process as for other proposed physical changes to Units or Common Area shall be followed, except for project owners' vote of approval and other certain modifications as set forth herein. Alteration permit procedures are more fully set forth in Policy 51.0.0.

(A) Indemnification and Maintenance Agreement. As a condition of approval of installation of any Solar Energy System within the Common Area, the applicant shall execute a separate "Maintenance and Indemnity Agreement" acknowledging that he or she has read and understands this Policy and representing that the proposed Solar Energy System, its installation and maintenance shall comply fully with this Policy, and further agreeing to indemnify and hold harmless the Mutual, Golden Rain Foundation of Walnut Creek and their respective officers, directors, employees and members from and against any and all claims, allegations, litigation, arbitration or judgments resulting in whole or in part from the installation, maintenance or removal of the Solar Energy System, substantially in the form attached to this Policy (EXHIBIT A).

(B) Notification to Neighbors. As required by Civil Code 714.1, Sec. 4746, the Owner/Applicant shall notify each owner of a Unit in the building on which the installation will be located (*i.e.,* those under the same common roof) and the Owner/Applicant shall certify in the application the names and addresses of those notified and the date of the notification. This will be done by the attached form to this Policy (EXHIBIT D) or copies of certified return letter receipts from the Post Office.

(C) District Director's Review. The application will be prepared with the assistance of the MOD Alterations Department and then submitted to the District Director for preliminary review. The Director may suggest reasonable restrictions on the installation, but may not disapprove the installation.

(D) Proof of $1Million Liability Insurance Policy. The Applicant will include proof of having a homeowner liability insurance policy providing $1million in coverage which includes the Third Walnut Creek Mutual named as additionally insured under the Applicant's homeowner liability insurance policy providing $1 million in coverage with a right of notice of cancellation. The Applicant must renew this liability insurance annually and provide evidence of annual renewal to MOD.

(E) Permit Review and Approval. The Mutual Alteration Permit Review Committee shall review the application for installation of a Solar Energy System to determine whether or not all of the items required on the Solar Installation Checklist Addendum (EXHIBIT B) have been included and may offer recommendations, if any, for additional reasonable restrictions within limits prescribed in Civil Code Section 714. However, no application for installation of a Solar Energy System may be approved or denied by the Permit Review Committee; the Board alone has the authority to approve such applications.

(F) City of Walnut Creek Permits. The applicant shall provide satisfactory evidence of compliance with requirements of the City of Walnut Creek and its permits.

(G) Board Review of Application; Decision. Any decision by the Board on a proposed Solar Energy System installation must be in writing and, if the proposed Solar Energy System is disapproved, the written decision shall include an explanation of why the application was disapproved. As provided by Civil Code section 714, an application for the installation of a Solar Energy System that is not denied in writing within forty-five (45) days from the date of receipt of the application by the Mutual shall be deemed approved, unless that delay is a result of a reasonable request for additional information.

61.3.1 GENERAL INSTALLATION REQUIREMENTS

The following installation conditions shall govern the installation of Owner/Applicant initiated installation of Solar Energy Systems:

(A) All installations of Solar Energy Systems shall be completed so as not to materially harm or damage common elements of the Mutual, or any other individual Unit or Exclusive Use Common Area, void any warranties held by the Mutual or other owners and/or impair the integrity of a building or structure. The applicant will be responsible for learning the status of the roof warranty from MOD and responsible for following MOD instructions to protect the warranty.

(B) All portions of a Solar Energy System shall be secured in a manner which does not jeopardize the safety or soundness of any structure and/or the safety of any person within the Project. All solar energy systems shall have non glare panels installed flush to the roof.

(C) There shall be no penetrations into building structures, not limited to walls and roofs, unless it is absolutely necessary for the installation and operation of the system and/or to avoid an unreasonable increase in the cost of the installation. Any penetrations for wiring or piping for a Solar Energy System shall be properly sealed and waterproofed in accordance with industry standards and building codes in order to prevent moisture penetration and resulting structural damage.

(D) The Owner/Applicant installing the Solar Energy System shall be responsible for any damage to building elements, Unit interiors or personal property caused by such penetrations even if the Mutual has primary maintenance responsibility for such elements under the governing documents of the Mutual.

61.4.0 INSTALLATION BY COMMERCIAL INSTALLERS

Installation shall only be by a licensed and properly insured installer knowledgeable in the installation of Solar Energy Systems. Prior to installation, the installer shall have insurance coverage that meets the following minimums: (i) Worker's Compensation with minimum coverage required by California law; and (ii) Contractor's General Liability (including completed operations) with policy limits of at least $500,000.00. The installer must, prior to installation, provide to the Mutual copies of certificates of insurance for the above policies and endorsements which name the Owner/Applicant and the Mutual as additional insureds.

61.5.1 SAFETY

(A) Solar Energy Systems shall be installed and secured in compliance with manufacturer's instructions and all City of Walnut Creek, State of California and Federal ordinances, regulations and laws.

(B) A Solar Energy System for heating water shall be certified as to all system components and the installation thereof by the Solar Rating & Certification Corporation™ or other nationally recognized certification agency.

(C) A Solar Energy System for producing electricity shall also meet all applicable safety and performance standards established by the National Electrical Code, the Institute of Electrical and Electronic Engineers (IEEE) and accredited

testing laboratories such as Underwriters Laboratories (UL™) and, where applicable, rules of the Public Utilities Commission regarding safety and reliability.

(D) To ensure the safety of individuals and allow safe access to the physical plant of the Mutual, Solar Energy Systems shall not obstruct access to or from any Unit, walkway, or ingress or egress into any area of the Project.

(E) In approving the installation of any Solar Energy System, the Board is entitled to rely upon the representation of the Owner/Applicant or his or her contractor that the system fully complies with the safety criteria set forth in this Policy. Should the Board later determine that the equipment is not in conformance with such criteria, the Board may require the Owner/Applicant to remove the Solar Energy System or modify it so that it is in compliance with such criteria.

61.6.1 MAINTENANCE

(A) Owner/Applicant of a Solar Energy System is solely responsible for all associated costs, including but not limited to: replacement, repair, maintenance, moving and/or removal of the Solar Energy System or any of its components; repair and/or replacement of any property damaged by the installation, maintenance and/or use of the Solar Energy System; payment of any medical expenses incurred by persons injured by the installation, maintenance and/or use of the Solar Energy System; and/or restoration of Solar Energy System sites to their original condition after removal.

(B) Owner/Applicant shall not permit his or her Solar Energy System to become a hazard or fall into disrepair. Owner/Applicant shall be responsible for correction of any safety hazards and Solar Energy System repair and/or replacement. Owner/Applicant shall be responsible for the cost of repainting or replacement of the visible ancillary components of the Solar Energy System, such as conduits, plumbing and supports, if deterioration occurs, whether performed by the Mutual or outside contractor.

(C) Owner/Applicant shall be responsible for any increased costs incurred by the Mutual in maintaining or repairing the Common Area or those portions of a Unit or Exclusive Use Common Area which the Association is responsible under the Governing Documents for maintaining or repairing which are caused by the presence of a Solar Energy System on the Common Area.

(D) If it is necessary to temporarily remove a Solar Energy System or some of its components so that the Mutual may perform required maintenance or repairs to the Common Area, the Owner/Applicant of the Solar Energy System shall

be responsible, at his or her sole expense, for removing and reinstalling the system after the maintenance or repair is completed. Unless there is an emergency, notices to the Owner/Applicant regarding removal shall be in writing sent by certified mail at least fifteen (15) days prior to the date removal is required. If the Owner/Applicant fails to remove a Solar Energy System or a system component when requested to permit necessary maintenance or repairs, the Mutual may remove the system or component and charge the cost of such removal to the Owner/Applicant. So long as the Mutual uses reasonable care in removing and reinstalling the Solar Energy System or any component thereof, the Mutual shall not be responsible for any damage caused to the system or component by such removal or reinstallation.

61.7.1 RESALE OR TRANSFER OF OWNER'S UNIT

Upon resale or transfer of any Owner/Applicant's interest in his or her Unit which has a permitted Solar Energy System, the buyer or transferee (as the case may be) shall assume in writing all of the Owner/Applicant's duties and responsibilities as outlined in this Policy 61.0 and shall execute an additional Maintenance and Indemnity Agreement prior to close of escrow.

61.7.2 REMOVAL OF SOLAR ENERGY SYSTEM

If a buyer or a transferee does not agree in writing to assume responsibility for the Solar Energy System, the Owner/Applicant must remove the Solar Energy System and restore the area where the Solar Energy System had been located which shall be in accordance with the Removal Procedures attached hereto as EXHIBIT D. Should an Owner/Applicant fail to remove the Solar Energy System when required, the Mutual may remove the Solar Energy System at the Owner/Applicant's expense.

May 14, 2012
Revised May 9, 2016
Revised April 9, 2018

Third Walnut Creek Mutual
Policy 61 Solar Energy Systems
MAINTENANCE AND INDEMNITY AGREEMENT

Ref. Exhibit A, Policy 61.0 Solar Energy Systems

I/We (name) _____

Owner(s) of the condominium unit at (address)_____, Walnut Creek, CA 94595 (collectively, the "Undersigned") in consideration of the approval of Third Walnut Creek Mutual (the "Mutual"), a California nonprofit mutual benefit corporation, of my/our application to allow the installation of a solar energy system in the common area of the building located at_____in Project_____, I/we acknowledge that I/we have read Third Walnut Creek Mutual's Policy 61.0, Owner-Initiated Alterations, Solar Energy System ("Policy 61.0"), understand its contents and agree as follows:

1. The proposed solar energy system shall be installed and maintained in full compliance with Policy 61.0 and Alteration Permit #_____that has been issued by the Mutual for this installation and the Undersigned agree to comply with all terms and conditions set forth in Policy 61.0 and Alteration Permit #_____.

2. I/we shall indemnify and hold harmless Third Walnut Creek Mutual and its several condominium projects, Golden Rain Foundation of Walnut Creek, and their respective officers, directors, employees, agents, and members, and their respective successors and assigns (hereinafter "Indemnitees," from and against any and all claims, liability, loss, or damage arising from suits, losses, costs, liabilities, interest, attorney's fees, including but not limited to any such fees and expenses incurred in enforcing this Indemnity Agreement (collectively "Damages) resulting from, arising out of or in any connected with the installation, maintenance, operation or removal of the solar energy system described in Alteration Permit #_____.

3. The planned solar energy system under Alteration Permit #_____shall be installed on the common-area roof of the building at_____, Walnut Creek, CA 94595 in the manner and location approved by the Mutual, which roof is defined under the Declaration of Covenants, Conditions and Restrictions ("CC&R's") of Project____to be part of the Project's common area.

4. Should the Undersigned sell the unit, the transferee shall accept in writing the obligations under this agreement or the Undersigned agrees to remove the installation at its own cost and restore the common area to its original condition and in compliance with Policy 61.0.

5. Should the Undersigned fail to meet its obligation to defend and/or indemnify and save harmless in accordance with this agreement, then in such case Indemnitee shall have full right to defend, pay or settle said claim on their own behalf with or without notice to the Undersigned for all fees, costs and payments made or agreed to be paid to discharge said claim.

6. In the event of enforcement of said maintenance and indemnification obligations as set forth herein, the Undersigned agrees to pay all reasonable attorneys' fees necessary to enforce said maintenance and indemnification obligations.

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

SIGNED this_____day of_____20 at_____by all owners of the condominium unit making application for the installation of a solar energy system, as follows:

Name of Owner:_____

By (signature):_____

Name of Owner:_____

By (signature):_____

Name of Owner:_____

By (signature):_____

Third Walnut Creek Mutual
Policy 61 Solar Energy Systems
SOLAR INSTALLATION CHECKLIST ADDENDUM

Ref: Exhibit B, Policy 61.0 Solar Energy Systems

Documents required to be attached to application:

A. Manufacturer's spec sheet of solar panels (similar to Sun Power X20-250-BLK BC); only non-glare panels will be approved

B. Survey of usable solar roof area showing dimensions and placement of installation

C. Engineering drawings of proposed installation with placement of panels flush to roof as high as practical to roof ridge

D. Dimensioned plans showing location of the following:

(1) Solar panels

(2) Routing of electrical/plumbing lines

(3) Placement of sub-panels within Unit

E. Detailed engineering drawings showing roof penetrations for the following:

(1) Electrical/plumbing lines and flashing

(2) Attachment of panels

(3) Method of affixing panel brackets and flashing to roof

F. Proof of liability insurance coverage, to be renewed annually

G. Solar installation warranty; minimum 10 year warranty on installation workmanship

H. For roofs that have an existing warranty, written approval by Mutual's roofing contractor or roofing consultant of roof penetrations.

I. Final inspection checklist:

(1) Visible ancillary components, such as conduits, plumbing and supports painted to match exterior of adjacent structures (unless such painting would void a manufacturer's warranty).

(2) Solar panels mounted flush with roof surface, with all roof top installations blending into the roof color as much as possible.

J. Proof of Notification of owners of condos in the same building

Third Walnut Creek Mutual

Policy 61 Solar Energy Systems

SOLAR ENERGY SYSTEM REMOVAL ADDENDUM

Ref: Exhibit C, Policy 61.0 Solar Energy

When it is necessary to remove solar energy systems from Third Mutual roof tops, the building structure should be returned to its pre-solar installation condition, as follows:

1. Owner of installation shall obtain an alteration permit for removal. This assures that the work is done by a licensed contractor with appropriate insurance, and in accordance with all permits and legal requirements.

2. Obtain Walnut Creek city permit (if required).

3. After removal of the solar energy system, remove roofing and plywood in areas previously covered by the panels, if required by Third Mutual's Building Maintenance Manager.

4. If deemed necessary by Third Walnut Creek Mutual, install new roofing system matching the pre-existing roofing design, although color match may not be possible.

5. Patch all holes in the interior ceiling, if deemed necessary by the Mutual, and other penetrations where solar panel appurtenances were installed.

6. Inspect exterior of structure, utility/meter closets and electrical panels for penetrations and repair them.

7. Properly dispose of all materials outside Rossmoor.

8. All work shall be done to the satisfaction of Third Walnut Creek Mutual.

9. Satisfy all other requirements imposed by Third Walnut Creek Mutual.

Third Walnut Creek Mutual
Policy 61 Solar Energy Systems
OWNER NOTIFICATION FORM

Ref: Exhibit D, Policy 61.0 Solar Energy

1. Name of Applicant:_____
2. Date of Request:_____
3. Notification of each owner of condo in building at:_____

Name:_____ Address:_____

Signature:_____

Name:_____ Address:_____

Signature:_____

Name:_____ Address:_____

Signature:_____

Name:_____ Address:_____

Signature:_____

Name:_____ Address:_____

Signature:_____

Name:_____ Address:_____

Signature:_____

Name:_____ Address:_____

Signature:_____

Name:_____ Address:_____

Signature:_____

Name:_____ Address:_____

Signature:_____

Name:_____ Address:_____

Signature:_____

Name:_____ Address:_____

Signature:_____

Name:_____ Address:_____

Signature:_____

62.1.0 RESPONSIBILITY FOR COSTS

All owner requested tree removal or trimming beyond necessary maintenance is owner billable. The cost of the work plus the cost of required City of Walnut Creek permits will be borne by the owner.

62.2.0 REQUEST PROCEDURE

Any owner who wishes to have a tree removed or trimmed shall initiate a request on the form provided (see Appendix A).

After signing the request, the owner shall send the form to the TWCM Landscape Supervisor at MOD. The Landscape Supervisor shall evaluate the request and disapprove it, after conference with the District Director, or approve it.

Upon approving a request, the Landscape Supervisor shall return it to the applicant with a list of the addresses of neighbors who should approve or disapprove it. The applicant shall obtain the signatures of the neighbors identified by the Landscape Supervisor, and return the request form to the Landscape Supervisor, who shall forward the form to the District Director for final approval.

The District Director shall obtain a recommendation and signature from the District or Project Landscape Representative (if any), then approve or disapprove the request, and return the completed request form to the Landscape Supervisor for distribution.

62.3.0 APPEALS

The applicant may appeal any neighbor's disapproval to the District Director, who shall have authority to agree with or overrule the disapproval. The District Director's decision is final.

February 14, 2005

An encroachment is a conversion of part of the common area for use by one or more, but not all members of a Project. An encroachment in effect converts common area to exclusive use, in the vertical plane as well as the horizontal.

Under the California Civil Code, the Board is required to obtain approval by at least 67% of the members of a Project before approving a proposed encroachment, with certain exceptions. The following paragraphs explain when an alteration permit is needed and when a vote is required.

63.1.0 ENCROACHMENTS NOT REQUIRING A PERMIT OR VOTE
Penetrating the sheetrock in a unit with nails or screws to hang ornaments, or fasten objects to an interior wall or framing for earthquake safety, while technically an encroachment, is allowed without a permit or vote by the membership of the Project.

63.2.0 ENCROACHMENTS THAT REQUIRE A PERMIT BUT NOT A VOTE
Attaching a flagpole holder to exterior wood or stucco requires an alteration permit to assure proper installation, but does not require a vote by the members of the Project. These permits will expire at the time of resale unless a demand for renewal of the permit is made in escrow.

63.3.1 ENCROACHMENTS THAT REQUIRE PERMITS AND VOTING

63.3.2 GENERAL PROVISIONS
Encroachments other than those mentioned in parts 63.1.0 and 63.2.0 require an approved alteration permit and approval, by ballot, by the owners of at least 67% of the manors in the Project, and by the Board. Any such encroachment will be removed, at the owner's expense, by order of the district director, after review by the Board, (1) if the requirements of the permit, including maintenance, are not met, or (2) upon complaint and demand, by ballot, by owners of at least 67% of the manors in the Project.

63.3.3 EXISTING PERMITTED ENCROACHMENTS
Subject to the general provisions, encroachments installed in the past by permit may remain. However, if for any reason a new permit is required for the alteration, for example, adding a fence to a previously permitted patio, the new permit must be approved by the owners of at least 67% of the manors in the Project and by the Board.

63.3.4 NON-PERMITTED ENCROACHMENTS
Encroachments installed without a required permit will be removed, at the owner's expense, by order of the district director (1) on the directors' initiative or (2) in any event at the time of resale; provided, the seller may apply for a permit for the

encroachment, subject to approval by the owners of at least 67% of the manors in the Project and by the Board.

63.4.0 PAYMENT OF COSTS TO AMEND A CONDOMINIUM PLAN
Permittees are responsible for paying the costs of informal and formal amendments to a condominium plan reflecting approved encroachments.

63.5.1 WAIVERS BY THE BOARD OF DIRECTORS
Any requirement of this policy, other than the 67% rule, may be waived by vote of a majority of the Board of Directors on request by an alteration applicant or permittee.

*Rules for owner-maintained gardens are set forth in policy 56.0.0.

February 13, 2006

64.0.0 CHARGING ELECTRIC VEHICLES, LOW SPEED VEHICLES, NEIGHBORHOOD ELECTRIC VEHICLES, GOLF CARTS AND MAJOR APPLIANCES IN GARAGES AND CARPORTS BOTH ATTACHED AND STAND-ALONE

This revised Policy 64 is expanded to cover all electric power use outside the condominium unit ("Unit"). For purposes of clarity, Policy 64 is divided into 64A, 64B and 64C.

- 64A applies to Electric Vehicles (as defined in Section 64.1.1 below).
- 64B applies to LSVs (as defined in Section 64.1.3 below), NEVs (as defined in Section 64.1.4 below), and Golf Carts (as defined in Section 64.1.5 below) whose chargers are rated more than 13 amps or 1600 watts at full charge.
- 64C applies to major appliances and Golf Carts (as defined in Section 64.0.1.3 below) whose chargers are rated less than 13 amps or 1600 watts at full charge.

64.0.0 RATIONALE FOR POLICY.

This Policy is intended to comply with applicable law governing Electric Vehicle Charging Stations (as defined in Section 64.1.2 below). This Policy is also intended to protect the safety of residents and infrastructure from fires that can and have resulted from overloading the electric circuit or extension cord in a garage or carport.

All the condominium buildings in Third Mutual were built in the 70's and 80's and the builders did not anticipate nor construct for the electrical needs of Electric Vehicles, LSVs, NEVs, Golf Carts, and major appliances that we have today. The convenience electric outlets in these structures were designed to charge only small appliances and on intermittent use.

This Policy applies to Common Area as well as Exclusive Use Common Area, i.e., garages and carports whether attached or detached (stand-alone) from Units.

64.1.1 DEFINITIONS.

1. Electric Vehicle. For purposes of Section 64A, "Electric Vehicle" shall mean a plug-in electric or hybrid automobile, sports utility vehicle (SUV), van or truck.

2. Electric Vehicle Charging Station. For purposes of Section 64A, "Electric Vehicle Charging Station" or "EVCS" shall have the meaning set forth in California Civil Code section 4745(d) which defines Electric Vehicle Charging Station as "a station that is designed in compliance with the California Building Standards Code and delivers electricity from a source outside an electric vehicle into one or more electric vehicles. An electric vehicle charging station may include several charge points simultaneously connecting several electric vehicles to the station and any related equipment needed to facilitate charging plug-in electric vehicles."

3. Low-Speed Vehicle (LSV). For purposes of Section 64B, "Low Speed Vehicle" or "LSV"

shall have the meaning set forth in California Vehicle Code section 385.5 which states as follows:

(a) A “low-speed vehicle” is a motor vehicle that meets all of the following requirements:

(1) Has four wheels.

(2) Can attain a speed, in one mile, of more than 20 miles per hour and not more than 25 miles per hour, on a paved level surface.

(3) Has a gross vehicle weight rating of less than 3,000 pounds.

(b) (1) For the purposes of this section, a “low-speed vehicle” is not a golf cart, except when operated pursuant to Section 21115 or 21115.1.

(2) A “low-speed vehicle” is also known as a “neighborhood electric vehicle.”

4. Neighborhood Electric Vehicle (NEV). For purposes of Section 64B, "Neighborhood Electric Vehicle" or “NEV” shall, as set forth in California Vehicle Code section 385.5(b)(2), mean Low-Speed Vehicle.

5. Golf Cart. For purposes of Sections 64B and 64C, “Golf Cart” shall have the meaning set forth in California Vehicle Code section 345 which states as follows:

A “golf cart” is a motor vehicle having not less than three wheels in contact with the ground, having an unladen weight less than 1,300 pounds, which is designed to be and is operated at not more than 15 miles per hour and designed to carry golf equipment and not more than two persons, including the driver.

64A. ELECTRIC VEHICLES AND ELECTRIC VEHICLE CHARGING STATIONS.

64A.0.0. APPLICABILITY AND INTENT. Section 64A applies to Electric Vehicles (as defined in Section 64.1.1 above) and Electric Vehicle Charging Stations (as defined in Section 64.1.2 above) and 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.

64A.1.0 GENERAL.

1. 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) an Owner's Exclusive Use Common Area (i.e., attached garage, attached carport, or stand-alone assigned garage/carport, as applicable) and (ii) Common Area parking spaces. Such installation would provide "hard wire" connections to the EVCS as opposed to providing for plug outlets to supply power to portable charging devices.

64A.2.0 EVCS REQUIREMENTS.

1. Any Mutual Owner who proposes to install an EVCS ("Applicant") shall:

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

    b. Follow the applicable procedures governing "alterations" set forth in Policy 51 (entitled "Owner-Initiated Alterations Generally"); and

    c. Obtain Board approval and procure an "Alteration Permit" prior to installation of the EVCS.

2. In addition to the submittals required by the applicable procedures governing "alterations" set forth in Policy 51 (entitled "Owner-Initiated Alterations Generally"), the following must accompany the fully filled out and executed Alteration Agreement for installation of an EVCS:

    a. Plans and specifications clearly indicating where the EVCS is to be located, the brand or manufacturer, technical specifications and dimensions (i.e., height, width, weight, etc.), as well as structural requirements;

    b. An acknowledgment satisfactory to the Mutual that the Applicant will procure a homeowner liability insurance policy providing $1 million in coverage and will provide satisfactory evidence to the Mutual, within fourteen (14) days of the Mutual's approval of the EVCS, that the Mutual has in fact been named as an additional insured under the Applicant's homeowner liability insurance policy providing $1 million in coverage with a right of notice of cancellation; provided,

however, that the Applicant shall not be required to maintain a $1 million homeowner liability coverage policy for an EVCS utilizing an existing National Electrical Manufacturers Association standard alternating current power plug; and

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

   i. indemnify and hold harmless the Mutual;

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

   iii. pay for the electricity usage associated with the EVCS;

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

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

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

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

2. 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 garage is impossible or unreasonably expensive. In such cases, the Mutual shall enter into a license agreement with the Applicant for the use of the space in the Common Area**.**

3. 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.

4. The installation of the EVCS 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.

5. Applicant shall be responsible for the installation of a separate meter or hard wire the EVCS back to the Unit's electrical meter to accommodate the EVCS. If installed, the meter shall be listed in the Applicant's name and all recharging and related expenses billed directly to the Applicant by Pacific Gas and Electric (PG&E). All installations shall meet all applicable requirements established by state and local laws, PG&E and the Electric Vehicle manufacturer. Electric Vehicle Charging Stations may only be powered using metered circuits billed to the owner.

6. Project/Mutual electrical outlets and metered electric circuits charged to the Project/Mutual may never be used to power an EVCS.

7. 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.

8. The EVCS shall be installed in a location acceptable to the Mutual. If visible from the other Exclusive Use Common Area or 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.

9. The Applicant and each successive owner of the EVCS shall pay for all electricity usage associated with the EVCS.

10. The use of an extension cord from the Unit to an EVCS is strictly prohibited.

11. 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 Unit 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 Unit 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; <u>provided, however</u>, that said buyer shall not be required to maintain a $1

million homeowner liability coverage policy for an EVCS utilizing an existing National Electrical Manufacturers Association standard alternating current power plug;

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

iii. responsibility for all costs for damage to the EVCS, Common Area, Exclusive Use Common Area and/or Unit 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 Units after the removal; and

v. responsibility to disclose to prospective buyers the existence of any EVCS and the related responsibilities of the owner pursuant to Civil Code section 4745.

12. If, at the time of sale of the Unit, the new owner (i.e., buyer) does not accept responsibility for the EVCS and separate electrical circuit by signing a recordable EVCS Installation and Maintenance Agreement substantially in the form attached hereto as Exhibit "A" and approved by the Mutual, the EVCS and electrical circuit will be dismantled and the electrical circuit capped at the seller's expense.

13. 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.

14. The prevailing party in any dispute arising out of the interpretation, violation or enforcement of the provisions of this Section 64A relating to Electric Vehicle Charging Stations or documents created as called for under Section 64A.2.0 shall be awarded their reasonable attorneys' fees and costs.

64A.3.0 ILLEGAL USAGE.

As provided in Section 64A.2.0 above, Project/Mutual electrical outlets and metered electric circuits charged to the Project/Mutual may never be used to power Electric Vehicles. Each illegal use of a Project/Mutual electrical outlet or electric circuit is a violation of this Section 64A and shall be subject to a monetary penalty in accordance with Policy 18 (entitled "Enforcement of Policies").

64B. LSVs, NEVs AND GOLF CART CHARGERS RATED GREATER THAN 13 AMPS/1600 WATTS AT FULL CHARGE IN THE GARAGE/CARPORT.

64B.1.0 GENERAL CONDITIONS FOR USE.

1. Owners of electric powered Golf Carts using chargers rated more than 13 amps or 1600 watts must install a dedicated electric circuit conforming to the vehicle manufacturer's specifications.

2. NOTE: Electric powered Golf Carts and Golf Cart chargers rated less than 13 amps or 1600 watts at peak demand are subject to Section 64C below entitled “CHARGING MAJOR APPLIANCES AND GOLF CART CHARGERS RATED LESS THAN 13 AMPS/1600 WATTS AT FULL CHARGE IN THE GARAGE/CARPORT.”

3. Owners desiring to provide power to Golf Cart chargers rated more than 13 amps or 1600 watts are responsible for the installation and maintenance of a separate electrical circuit that meets the requirements established by state and local laws and the Golf Cart manufacturer. All costs of installation and usage of the separate electric circuit are the sole responsibility of the owner. If, at the time of sale of the Unit, the new owner does not accept responsibility for the separate electrical circuit, it will be dismantled or capped at the seller's expense.

64B.2.0 OWNERS WITH ATTACHED GARAGES AND ATTACHED CARPORTS.

This Section 64B.2.0 applies to owners with attached garages and attached carports that were originally designed for a single passenger motor vehicle. Any such owner who wishes to provide power to Golf Cart chargers rated more than 13 amps or 1600 watts must (i) install a separate electrical circuit that meets the requirements established by state and local laws and the golf cart manufacturer and (ii) undertake all other electrical modifications deemed necessary by the Mutual. Such Owners shall also (i) submit an Alteration Agreement, (ii) follow the applicable procedures governing “alterations” set forth in Policy 51 (entitled “Owner-Initiated Alterations Generally”), (iii) obtain Board approval and an Alteration Permit, (iv) comply with all requirements imposed by the Board, and (v) procure a City of Walnut Creek permit. All charges for the modifications will be the owner's responsibility and the electricity used shall be paid for by the Unit owner.

64B.3.0 OWNERS WITH STAND-ALONE GARAGES AND STAND-ALONE CARPORTS.

1. This Section 64B.3.0 applies to owners with stand-alone garages that were originally designed for a single passenger motor vehicle and owners with assigned parking spaces located in stand-alone carports containing multiple stalls.

2. Any such owner who wishes to provide power in his or her stand-alone carport or stand-alone garage for Golf Cart chargers rated more than 13 amps or 1600 watts must (i) arrange for PG&E installation of a separate meter or hard wire the Golf Cart charger back to the Unit’s electrical meter, and (ii) undertake all other electrical

modifications deemed necessary by the Mutual. The meter, electrical panel or subpanel, as applicable, and their installation shall satisfy all applicable requirements, including but not limited to those imposed by PG&E, governmental authorities, and the Golf Cart charger manufacturer. If installed, the separate meter shall be listed in the owner's name and all expenses for installation of the meter and all other electrical modifications will be paid for by the owner.

3. Such owner shall also (i) submit an Alteration Agreement, (ii) follow the applicable procedures governing “alterations” set forth in Policy 51 (entitled “Owner-Initiated Alterations Generally”), (iii) obtain Board approval and an Alteration Permit, (iv) comply with all requirements imposed by the Board, and (iv) procure a City of Walnut Creek permit.

4. Extension cords from the Unit to the garage or carport are not permitted.

5. Extension cords over 10 feet are prohibited for Golf Cart battery chargers and any electrical cord must (i) be in good condition, (ii) meet the manufacturer’s specifications for the Golf Cart battery being charged, and (iii) have a minimum of 12 gauge/3 conductors.

64B.4.0 ILLEGAL USAGE.

Project/Mutual electrical outlets and metered electric circuits charged to the Project/Mutual may never be used to power Golf Cart chargers rated more than 13 amps/1600 watts. Each illegal use of a Project/Mutual electrical outlet or electric circuit is a violation of this Section 64B and shall be subject to a monetary penalty in accordance with Policy 18, Enforcement of Policies.

64C.0 CHARGING MAJOR APPLIANCES AND GOLF CART CHARGERS RATED LESS THAN 13 AMPS/1600 WATTS AT FULL CHARGE IN THE GARAGE/CARPORT.

64C.1.0 GENERAL CONDITIONS FOR POWER USE.

Convenience outlets in garages and carports, attached and stand-alone, may only be used for intermittent charging of small electrical appliances. The peak load of the appliance or battery combined with any other electric device drawing power must not exceed the amperage rating of the circuit. It is the responsibility of the owner to determine both the amperage of all appliances and what the circuit can bear.

64C.2.0 ATTACHED GARAGES AND ATTACHED CARPORTS.

1. Attached garages and attached carports were originally designed for a single passenger motor vehicle. Such garages and carports have convenience electric outlets that provide electric service paid for by the Unit owner.
2. The electric outlets in attached garages and attached carports were designed to

provide power for intermittent use by small appliances. Therefore, major electric appliances (such as freezers, refrigerators) and Golf Cart chargers rated less than 13 amps or 1600 watts – devices which are plugged in continuously – may not be plugged into an existing convenience electric outlet in attached garages and attached carports since they tend to overload the circuit. Further, Golf Cart chargers rated more than 13 amps or 1600 watts may never be plugged into an existing convenience electric outlet.

3. Any owner who desires to charge major electric appliances (such as freezers, refrigerators) and/or Golf Cart chargers rated less than 13 amps or 1600 watts in his or her attached garage or attached carport must, at his or her sole expense, (i) upgrade the electrical system in the manner that is deemed necessary by the Mutual to accommodate such charging and (ii) satisfy all applicable requirements, including but not limited to those imposed by PG&E, governmental authorities, and the manufacturer of the major electrical appliance or Golf Cart charger, as applicable. In that regard, the owner shall: (i) submit an Alteration Agreement, (ii) follow the applicable procedures governing "alterations" set forth in Policy 51 (entitled "Owner-Initiated Alterations Generally"), (iii) obtain Board approval and an Alteration Permit, and (iv) comply with all requirements imposed by the Board, and (v) procure a City of Walnut Creek permit.

4. Extension cords from the Unit to the garage or carport are not permitted.

5. Extension cords over 10 feet are prohibited for battery chargers and any electrical cord must (i) be in good condition, (ii) meet the manufacturer's specifications for the battery being charged, and (iii) have a minimum of 12 gauge/3 conductors.

64C.3.0 STAND-ALONE GARAGES AND STAND-ALONE CARPORTS.

1. Stand-alone garages and stand-alone carports that contain multiple assigned parking spaces present a different set of circumstances. Such garages and carports are detached and remote from the Unit and have convenience electric outlets that provide electric service paid for by the Project/Mutual as opposed to the individual owner.

2. These electric outlets in most stand-alone garages and stand-alone carports were designed to provide power for intermittent use by small appliances. Therefore, major electric appliances (such as freezers, refrigerators) and Golf Cart chargers rated less than 13 amps or 1600 watts – devices which are plugged in continuously – may not be plugged into an existing convenience electric outlet since they tend to overload the circuit. Further, Golf Cart chargers rated more than 13 amps or 1600 watts may never be plugged into an existing convenience electric outlet.

3. If, after an electrical inspection by the Mutual, the stand-alone garage or stand-alone carport is proven to have sufficient electrical capacity to safely charge a 13 amp/1600 watts or less Golf Cart charger, a sign will be posted in the garage or carport, as applicable, stating that the electric outlet is safe to do so. A user fee, established by the Mutual, will be billed to the owner, unless the electric line is already hard-wired back to the individual owner's PG&E electric meter. Extension cords over 10 feet are

prohibited for Golf Cart battery chargers and any electrical cord must (i) be in good condition, (ii) meet the manufacturer's specifications for the Golf Cart battery being charged, and (iii) have a minimum of 12 gauge/3 conductors.

4. If, after an electrical inspection by the Mutual, the stand-alone garage or stand-alone carport is proven to not have sufficient electrical capacity to safely charge a 13 amp/1600 watts or less Golf Cart charger, the Project shall, upon request of an owner who has an assigned parking space in a stand-alone garage or stand-alone carport, install, at Project expense, a suitably designed electrical panel on the wall of or adjacent to the structure. Any owner desiring to use electric service from such electrical panel to charge his or her Golf Cart charger rated less than 13 amps or 1600 watts may apply for permission to install, at such owner's sole cost and expense, a suitably designed electric circuit from the Project-installed electric panel to his or her assigned parking space. Such owner shall, prior to installing an electric circuit, satisfy the following requirements: (i) submit an Alteration Agreement, (ii) follow the applicable procedures governing "alterations" set forth in Policy 51 (entitled "Owner-Initiated Alterations Generally"), (iii) obtain Board approval and an Alteration Permit, (iv) satisfy all applicable requirements, including but not limited to those imposed by PG&E, governmental authorities, and the manufacturer of the major electrical appliance or Golf Cart charger, as applicable, (v) comply with all requirements imposed by the Board, and (vi) procure a City of Walnut Creek permit. Since the cost of electricity will be billed to the Project, the Project shall establish an annual, non-refundable fee that will be payable by any owner using the Project-installed electric panel. Such fee shall cover such owner's share of: (i) the cost of electricity (if different from the Mutual's fee determination), (ii) administration of billing by MOD, and (iii) the Project's annualized capital cost to construct the electrical improvements to provide the electric service.

5. Extension cords from the Unit to the garage or carport are not permitted.

6. Extension cords over 10 feet are prohibited for battery chargers and any electrical cord must (i) be in good condition, (ii) meet the manufacturer's specifications for the battery being charged, and (iii) have a minimum of 12 gauge/3 conductors.

7. A Project shall not be required to install an upgraded electrical panel upon the request of an owner who has an assigned parking space in a stand-alone garage or stand-alone carport if such owner also has an attached garage or an attached carport. In such case the owner must, subject to compliance with Section 64C.2.3 above, use his or her stand-alone garage or stand-alone carport to charge his or her Golf Cart charger rated less than 13 amps or 1600 watts.

64C.4.0 ILLEGAL USAGE

Project/Mutual metered circuits charged to the Project may never be used to power Electric Vehicles, LSVs, NEVs or Golf Cart chargers rated more than 13 amps/1600 watts; such vehicles and devices may only be powered using metered circuits billed to the owner. Each illegal use of a convenience electric outlet is a violation of this Section 64C and shall be

subject to a monetary penalty in accordance with Policy 18 (entitled “Enforcement of Policies”).

May 14, 2012
October 10, 2016

Third Walnut Creek Mutual
Policy 64 EVCS Installation
MAINTENANCE AND INDEMNITY AGREEMENT

Ref. Exhibit A, Policy 64.0 EVCS

I/We (name) _____

Owner(s) of the condominium unit at (address)_____, Walnut Creek, CA 94595 (collectively, the "Undersigned") in consideration of the approval of Third Walnut Creek Mutual (the "Mutual"), a California nonprofit mutual benefit corporation, of my/our application to allow the installation of a EVCS in the Exclusive Use Common Area of the building located at_____in Project_____, I/we acknowledge that I/we have read Third Walnut Creek Mutual's Policy 64.0, Owner-Initiated Alterations, EVCS ("Policy 64.0"), understand its contents and agree as follows:

1. The proposed EVCS shall be installed and maintained in full compliance with Policy 64.0 and Alteration Permit #_____that has been issued by the Mutual for this installation and the Undersigned agree to comply with all terms and conditions set forth in Policy 64.0 and Alteration Permit #_____.

2. I/we shall indemnify and hold harmless Third Walnut Creek Mutual and its several condominium projects, Golden Rain Foundation of Walnut Creek, and their respective officers, directors, employees, agents, and members, and their respective successors and assigns (hereinafter "Indemnitees," from and against any and all claims, liability, loss, or damage arising from suits, losses, costs, liabilities, interest, attorney's fees, including but not limited to any such fees and expenses incurred in enforcing this Indemnity Agreement (collectively "Damages) resulting from, arising out of or in any connected with the installation, maintenance, operation or removal of the EVCS described in Alteration Permit #_____.

3. The planned EVCS under Alteration Permit #_____shall be installed in the exclusive use common area at_____, Walnut Creek, CA 94595 in the manner and location approved by the Mutual, which is defined under the Declaration of Covenants, Conditions and Restrictions ("CC&R's") of Projectto be part of the Project's Exclusive Use Common Area.

4. Should the Undersigned sell the unit, the transferee shall accept in writing the obligations under this agreement or the Undersigned agrees to remove the installation at its own cost and restore the Exclusive Use Common Area to its original condition and in compliance with Policy 64.0.

5. Should the Undersigned fail to meet its obligation to defend and/or indemnify and save harmless in accordance with this agreement, then in such case Indemnitee shall have full right to defend, pay or settle said claim on their own behalf with or without notice to the Undersigned for all fees, costs and payments made or agreed to be paid to discharge said claim.

6. In the event of enforcement of said maintenance and indemnification obligations as set forth herein, the Undersigned agrees to pay all reasonable attorneys' fees necessary to enforce said maintenance and indemnification obligations.

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

SIGNED this_____day of_____20 at_____by all owners of the condominium unit making application for the installation of a EVCS, as follows:

Name of Owner:_____

By (signature):_____

Name of Owner:_____

By (signature):_____

Name of Owner:_____

By (signature):_____

Third Walnut Creek Mutual
Policy 64 EVCS Installation
CHECKLIST

a. Plans and specifications clearly indicating where the EVCS is to be located, the brand or manufacturer, technical specifications and dimensions (i.e., height, width, weight, etc.), as well as structural requirements.

b. Proof of Liability Insurance coverage to be renewed annually.

c. Fully executed EVCS Installation and Maintenance agreement.

65.1.1 HARDWOOD FLOOR REFINISHING

Wood floor refinishing can expose workers, building occupants, homeowners, and residents of the surrounding neighborhood to a variety of health and safety hazards.

For this reason, Manor hardwood floor refinishing requires approval of the Third Walnut Creek Mutual Alteration Review Committee via the Alteration Application. Only water-based non-flammable floor finishing products with flash points at or above 100° F are permitted for hardwood floor refinishing in TWCM Manors. Additionally, if floor sanding is required a dust capture and/or ventilation system will be required as part of the Alteration Application.

May 14, 2012

69.1.2 MAINTENANCE

The maintenance of manor fireplaces and their flues is the responsibility of the manor owner. Creosote and resins are by-products of burning wood or other materials. If allowed to build up in fireplace flues they present a fire hazard. Third Walnut Creek Mutual agrees with the U. S. Fire Administration recommendation that frequently used fire places and their flues be inspected and cleaned by a "Certified Inspector"* every year. During ownership each owner should decide when their fireplace should be inspected and cleaned depending on how often it is used.

69.1.3 INSPECTION WHEN MANOR IS SOLD

When a manor is sold Third Walnut Creek Mutual requires that its fireplaces and flues, *regardless of use frequency,* have a Level 2 inspection by a "Certified Inspector"*. Necessary cleaning and repairs must be completed and a "Certified Notice of Completion" given to Mutual Operations before close of escrow.

- Inspector should be certified by CSIA (Chimney Safety Institute of America) and FIRE (Fire Investigation Research Education).

NOTE: *There have been several fireplace flue fires in Third Walnut Creek Mutual.*

This Policy is effective June 1, 2011

February 14, 2011

70.0.0 SMOKE ALARMS

The Uniform Building Code Section 310.9.1 specifies that each unit have a smoke alarm in every bedroom and one in the connecting hall. Smoke alarms are personal property and each owner is responsible for their installation. The TWCM Board recommends that each owner install additional alarms, if needed, to meet Code. The board also recommends that smoke alarms be replaced every ten years. At the time of resale new dual sensor smoke alarms must be installed according to Code.

The TWCM recognizes that it is important for the safety of the entire mutual that each unit has working smoke alarms. Therefore, each Project will have the batteries replaced in the smoke alarms required by Code once each year. At that time they will have the test button pushed. If the alarm does not function they will have the alarm replaced at resident expense.

Owners may install additional smoke alarms not required by Code. These additional alarms will be tested and their batteries replaced once each year at Project expense. However, if such an alarm fails the owner will remove it or pay for its replacement.

The residents of each unit are responsible to:

1. Push the test button in each alarm at least once a month. If the alarm does not sound notify MOD at 988-7650. If a new battery is needed it will be replaced at no cost to the resident. If a new alarm is required it will be replaced at owner expense.

2. If an alarm beeps intermittently call MOD to have the battery replaced at Project expense.

3. Vacuum the outside of each alarm at least once each year.

4. Not disconnect the battery in an alarm.

5. Replace smoke alarms every ten years.

Note: The Mutual/Project is not responsible for inoperative alarms as the resident is responsible for the monthly tests; cleaning the alarm exterior; and having inoperative alarms or batteries replaced. Alarms replaced by MOD will be the dual sensor type.

December 8, 2003
August 14, 2006
June 14, 2010

The Project Conditions, Covenants, and Restrictions prohibit raising, breeding or keeping of animals in a unit or common area, except that dogs, cats, or other domestic household pets may be kept in units (although not for commercial purposes) subject to the restrictions set forth below.

One or two domestic pets may be kept in a unit at any one time. However, the Board may disallow keeping of individual pets the Board determines to be noisy, obnoxious or unsanitary.

Most pets do not cause any trouble and are a source of pleasure and satisfaction to their owners. However, some cause acute distress to neighbors. Therefore, pet owners must observe the following policies and guidelines.

71.1.1 LEASH RULE

1. Dogs and cats must be leashed at all times when outside the manor. A dog park area is located adjacent to the Del Valle parking lot where owners may allow their dogs to run unleashed (but under control).

2. Pet pens are not allowed on common property (either for exclusive use or non-exlusive use) i.e. front entry porches, or rear decks/patios.

71.2.1 SANITATION RULES

1. In order to prevent unsightly damage, pets must be restrained from relieving themselves on lawns.

2. The pet owner is responsible for cleaning up and removing any feces left by a pet in any area of Rossmoor. The feces must not be disposed of in storm drains or other outside areas. Trash collection bins may be used for disposal of bagged feces.

71.3.0 CATS

Cat owners should be aware that their pet cats, if found outdoors, may be captured and removed by animal control authorities.

71.4.0 DOGS
Dog owners must prevent excessive barking by their pets. Dogs that are left alone or frightened may bark intermittently for hours. Even a dog barking inside a manor can be distracting. Also, dog owners must not tie up their pets outdoors.

71.5.0 FINES AND PENALTIES
Repeated violation of these rules may cause imposition of fines and penalties to the unit owner. See section 18.0.0

March 11, 1996
January 13, 2000
February 14, 2011
July 8, 2013

Rossmoor is a haven for wildlife of many kinds, some benign, others, such as rats and gophers, less so. Our landscaping and the wild areas surrounding Rossmoor provide a variety of food and shelter, all that the wildlife require. As a result there is no need to put out additional food. In fact, since both the desirable animals and the undesirable animals tend to enjoy the same food, the mix of animal life that scattered food will attract is not one that we want in Rossmoor.

Therefore,-scattering of birdseed, or feeding turkeys, deer, or all other wild, feral, or domestic animals outside the condominium unit is not permitted because it attracts rats, gophers, and other rodents.

Hummingbird feeders must not drip the sugary feed on the ground lest ants be attracted to it.

Appendix A, Policy 18.10 of Third Walnut Creek Mutual Policy and Procedures specifies the monetary penalty for violations for Policy 72.

March 11, 1996
January 13, 2000
September 9, 2008

73.1.0 CONDITIONS FOR ACCESS

Any member of Third Walnut Creek Mutual who wishes to inspect or obtain a copy of the list of names and addresses of the members of the Project, District, or entire Mutual should submit a written request to the Board of Directors at 1001 Golden Rain Road, Walnut Creek, California 94595, stating the purpose for which the membership list is requested. The purpose must be related to the owner's interest as a member. If the Board reasonably believes the information will be used for business or solicitation purposes, or where the Board provides a reasonable alternative, the Board may deny the member access to the list. Members should allow the Board five (5) business days to meet the request for inspection, and ten (10) business days (or ten business days after any later list compilation date specified in the request) to produce a copy of the list.

❶ Given this time constraint, the Board has delegated its authority to determine relevance of the demand to the requester's interest as a member to the Secretary of the Corporation, who shall consult with the President or a Vice President before making the determination. All such determinations shall be reported promptly to the Board. If the Secretary is not available when the demand is received, the Secretary's authority shall be assumed by a presidential officer**.** Third Walnut Creek Mutual may charge a reasonable fee to cover copying and mailing costs.

73.2.0 MEMBERS' RIGHT TO "OPT OUT"

Any member who does not want his or her name, property address, and mailing address revealed to any requester may "opt out" of sharing this information, by submitting a written request to opt out to the Secretary of the Corporation.

The Mutual is required to provide the requesters with an alternative way to reach the opters-out. If the purpose is to mail written material to the members, we will provide the requester with the names, property addresses, and mailing addresses from the membership list requested, except the names, property addresses, and mailing addresses of the opters-out. The list may be a machine readable file, a printout of such a file, or mailing labels. We will mail a copy of the written material to each opter-out on the membership list requested, and include a note identifying the requester. These copies shall be sent by US mail in envelopes bearing the TWCM return address. The requester shall pay a reasonable charge for all costs of producing the membership list and sending copies of the written material to the opters-out. In no event shall we copy, stuff, address, or provide postage for the material that the requester is mailing directly.

If the requester's purpose is other than to distribute written material, we will provide the mailing list as above. We shall notify the opters out of the request by US mail. The requester shall pay a reasonable charge for all costs of producing the membership list and giving notice to the opters-out.

❶ The Mutual may instead deliver a written offer to the requester, within 10 business days after receiving the request, of an alternative method of achieving the purpose of the request without providing access to or a copy of the membership list.

April 8, 1996
January 13, 2000

74.0.0 OWNER ACCESS TO BOARD MINUTES

Owners have access to minutes of the meetings of the Board in accordance with the California Civil Code and the California Corporations Code, as follows:

Civil Code "§1363.05 (d)
The minutes, minutes proposed for adoption that are marked to indicate draft status, or a summary of the minutes, of any meeting of the board of directors of an association, other than an executive session, shall be available to members within 30 days of the meeting. The minutes, proposed minutes, or summary minutes shall be distributed to any member of the association upon request and upon reimbursement of the association's costs in making that distribution."

Corporations Code “§8333
The accounting books and records and minutes of proceedings of the members and the board and committees of the board shall be open to inspection upon the written demand on the corporation of any member at any reasonable time, for a purpose reasonably related to such person’s interest as a member.”

Owners should address requests for copies of the meeting minutes to the Board of Directors at 1001 Golden Rain Road, Walnut Creek, California 94595

April 8, 1996
January 13, 2000

75.0.0 RESOLUTION OF LOCAL CONFLICTS

1. Owners (and residents on behalf of owners) who wish to call attention to problems such as unruly behavior, unsafe or illegal parking, other disruptive activities, threats, violence, or safety and health hazards should -

- Dial 911 in case of an emergency.
- Notify the Golden Rain Foundation's Department of Public Safety.

2. Less urgent matters of local concern such as parking problems, landscaping problems, or disagreements among residents will be resolved locally (within the individual building, entry, or Project) whenever possible. Each Third Walnut Creek Mutual District Director shall attempt to handle the District's problems but may ask the Board for assistance. The Directors representing the Projects, or the Board, may appoint ad hoc committees to deal with the problems.

3. If a problem cannot be resolved locally, the Directors concerned will refer the matter to the Board for action. The Board may take whatever measures it deems necessary and proper to resolve the issue, including referral to the Conflict Resolution Committee, a formal hearing, or vote of the Project owners.

March 11, 1996
January 13, 2000

76.1.1 DISPUTE RESOLUTION PROCEDURE (Civil Code Title 6, Chapter 4, Article 5)

76.1.2 INITIATION
Either party to a dispute within the scope of this article may invoke the following procedure:

The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be in writing.

A member of an association may refuse a request to meet and confer. The association may not refuse a request to meet and confer.

The association's board of directors shall designate a member of the board to meet and confer.

The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute.

A resolution of the dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the board designee on behalf of the association.

76.1.3 ENFORCEABILITY
An agreement reached under this section binds the parties and is judicially enforceable if both of the following conditions are satisfied:
The agreement is not in conflict with law or the governing documents of the common interest development or association.
The agreement is either consistent with the authority granted by the board of directors to its designee or the agreement is ratified by the board of directors.

76.1.4 FEES
A member of the association may not be charged a fee to participate in the process.

76.2.0 ALTERNATE DISPUTE RESOLUTION
California Civil Code §1354 addresses owners' rights to sue the Association or another member of the Association regarding the enforcement of the governing documents.

Civil Code §1354 requires that the owners shall be provided each year with a summary of the provisions of the section, specifically referencing the section. The summary must include the following language:

"FAILURE BY ANY MEMBER OF THE ASSOCIATION TO COMPLY WITH THE PREFILING REQUIREMENTS OF SECTION 1354 OF THE CIVIL CODE MAY RESULT IN THE LOSS OF YOUR RIGHTS TO SUE THE ASSOCIATION OR ANOTHER MEMBER OF THE ASSOCIATION REGARDING ENFORCEMENT OF THE GOVERNING DOCUMENTS."

See Appendix A for a copy of Civil Code §1354 and a summary of its provisions.

January 13, 2000
May 9, 2005

77.1.1 DEFINITIONS

1. Commercial Signs: Commercial Signs are any sign, flag, banner or poster advertising a business, product or service, except Real Estate Signs, as defined below.
2. Real Estate Signs: Real Estate Signs are window signs indicating a particular unit is for sale, lease, or exchange.
3. Noncommercial Signs: Noncommercial Signs are any sign, flag, banner or poster not included in the definitions of Commercial Signs and Real Estate Signs above.

77.2.0 COMMERCIAL SIGNS

All Commercial Signs are prohibited anywhere within the Common Area and within those portions of a Unit and Exclusive Use Common area visible from other Units or Common Area, unless expressly authorized in writing by the Board.

77.3.0 REAL ESTATE SIGNS

One temporary Real Estate Sign not exceeding four (4) square feet of area may be placed in a window of a Unit that is for sale, lease or exchange. The information on the sign shall be limited to the name of the seller or agent, his or her telephone number and address and whether the property is for sale, lease or exchange. All such signs must be removed within three days of close of escrow, or lease of the Unit.

77.4.0 NONCOMMERCIAL SIGNS

One Noncommercial Sign or poster must be nine (9) square feet or less and a Noncommercial flag or banner that is fifteen (15) square feet or less may be placed within a Unit or Exclusive Use Common Area (but not in the general Common Area). No other Noncommercial Signs visible from other Units or Common Area are permitted.

October 11, 2004
July 9, 2012

Refer to California Fire Code, Section 308 Open Flames

October 11, 2004
September 9, 2008

Any member may establish a secondary mailing address by notifying the Secretary of the Corporation by mail or facsimile. Upon receiving such a notice, the Mutual will send all correspondence and legal notices required by Civil Code sections 1365 through 1365.5 (Fiscal Matters) to both the member's primary address and the member's secondary address.

A member may name the member's so-called billing address as the secondary address. Billing addresses, however, are not automatically secondary mailing addresses.

A temporary address, to which the member's primary address mail will be forwarded, should not be used as a secondary address.

To avoid inadvertently omitting required correspondence and legal notices, all mailings from the Mutual, the districts, and the Projects, for any purpose, will be sent to both addresses.

February 12, 2007

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

80.2.0 FINES AND PENALTIES
Repeated violation of this rule may cause imposition of fines and penalties to the unit owner. See Policy 18.0.0

May 14, 2012

Rationale: In order to ensure the financial integrity of each Project in Third Walnut Creek Mutual ("TWCM") the following minimum levels for the Operating Fund (defined as monies set aside by each Project in order to pay for the operating expenses of a Project during the current year) and the Reserve Fund (defined as monies set aside by each Project for repair, removal or replacement of major components within a Project).

89.1.0 OPERATING FUND

The Operating Fund shall be maintained at the beginning of each fiscal year by each Project sufficient to cover two (2) months of operating expenses or the entire insurance premium payable annually in advance plus one month's operating expenses, whichever amount is greater.

89.2.0 RESERVE FUND

The Reserve Fund shall be maintained at a minimum level of $3,000 per manor. This level will be calculated by adding the cash balances maintained by each Project to cover pending commitments for work to be done within the Project and cash invested in CDARS or other such programs and dividing the sum by the number of manors in the respective Project.

89.3.1 CORRECTIVE ACTION

The Director of any Project not meeting such minimum threshold levels will be required to outline in writing to the Board corrective action(s) to be taken and over what period of time these actions are projected to bring the Project into compliance with these minimum levels.

89.3.2 TREASURER'S REVIEW

The Treasurer shall complete a review of the financial condition of the Projects and report to the Board as to the progress in repayment of borrowed reserve funds to supplement working capital at the beginning of each year.

The analysis shall also include a review of any plans outlined in writing to the Board to reach the minimum threshold levels for Reserve Funds. It is expected that this information will provide the Board with sufficient information to approve or reject the proposed Project budgets for the succeeding year.

May 11, 2015

90.0.0 MANAGING AGENT RELATIONS

Golden Rain Foundation, as managing agent for Third Walnut Creek Mutual, has a responsibility to assist the Board in implementing the Board's policies and procedures, including (without limitation) the following.

90.1.0 OWNER BILLABLE WORK AT THE TIME OF RESALE

To avoid liability, the managing agent will not accept requests for owner-billable work on units for which a resale escrow account has been opened.

March 11, 1996
January 13, 2000

91.0.0 WORK SITE RULES FOR CONTRACTORS

The Board establishes work site rules for contractors working in the Projects of Third Walnut Creek Mutual. These rules supplement the Golden Rain Foundation Mutual Operations Division's "Notice to Contractors – Rules for Working in Rossmoor."

The Board's current rules are set forth in Appendix A. Also, a copy of the Mutual Operations Division's "Notice to Contractors" is included in Appendix A.

March 8, 1999
January 13, 2000

92.0.0 WORK ORDERS, CONTRACTS, AND CHANGE ORDERS

92.1.0 LIMITS ON DIVISION OF TASKS
No party will divide a task into separate work orders or contracts in order to avoid TWCM approval or bidding requirements.

92.2.0 WORK ORDER CONVERSION TO CONTRACT
Any work order assigned by MOD to an outside vendor shall be executed by MOD as the contracting party, or converted to a formal contract with TWCM and executed by TWCM and the vendor.

92.3.0 BIDDING
Any job over $5000 or repetitive job that will aggregate over $5000 will be bid out unless the District Director orders otherwise, in writing. Jobs under $5000 alone or in aggregate will not be bid out unless the District Director requests bidding. Single-source vendors shall be bid against at least once every 3 years.

92.4.0 MULTIPLE PROJECTS WORK
Any contract for work in two or more TWCM Projects shall state the scope of work and cost separately for each Project, and shall require a strict accounting of expenses by Project.

92.5.0 CHANGE ORDERS
Approval of the dollar amount of a contract or a change order allows additional charges up to 5% of the amount of the contract or change order upon approval by the District Director.

If a contract is let for all of the work covered by an acceptable bid, but the scope of the work must be expanded because of newly discovered problems in the original contract location, the scope may be changed only by a change order, or a new contract, that includes all changes in scope, specifications, and completion plans. If a contract is let for only a portion of work covered by an acceptable bid, other portions of the work may be added by change orders that include all changes in scope, specifications, and completion plans.

92.6.0 NEW CONTRACTS IN LIEU OF CHANGE ORDERS
If a contract is let for all of the work covered by an acceptable bid, additional, similar work to be performed at a different location requires a new contract, not merely a change order.

March 11, 2002

93.0.0 RATIONALE FOR POLICY

This policy is developed to assure the safety of residents and to maintain adequate parking for visitors and guests. Golden Rain Foundation Rule 108.0.9 states that "PODs/storage containers may not be parked on Foundation streets or in Foundation parking areas." Mutuals may allow storage containers to be parked on Mutual property, and for Third Walnut Creek Mutual this will be for no more than seventy-two (72) hours in accordance with this policy.

This policy aims to balance between the needs of the resident desiring to use a storage container and the rights of the other residents to have adequate parking in the Project.

93.1.0 DEFINITION

This policy applies to storage containers (SC) that are dropped off for packing or unpacking of household goods, after which the SC is removed.

93.2.1 PROCEDURE FOR APPROVAL BY DIRECTOR

In order to allow delivery and removal within the time frames set forth in this policy, residents should begin arrangements well in advance of the desired dates so that the SC company is able to comply with the necessary delivery or removal dates. The procedure for approval will be as follows:

a. The Resident should contact his or her Project Director in writing (email preferred) indicating that he or she desires placement of a SC within a specified entry in the Project. The resident must provide the following details in this written request:
    i. The proposed delivery and removal dates for the SC,
    ii. The SC company name and the proposed size of the SC, and
    iii. The Rossmoor address pertaining to the proposed SC.
    iv. The phone numbers of the Resident seeking approval.

b. If approved, the Project Director will designate a specific parking space in the entry for the SC and communicate this approval in writing to the resident, along with the agreed upon dates for delivery and removal, not to exceed seventy-two (72) hours.

c. The Project Director may decline to grant approval for a SC to be placed in a given entry if there is insufficient guest parking; if vendor or emergency vehicle access would be compromised; or a history of the SC company failing to meet deadlines.

93.3.1 IMPLEMENTATION BY SECURITAS

a. The Project Director will notify Securitas via email of the approval, delivery and removal dates, street and entry number, and specific parking space for the delivery of the SC.
b. No early admission of the SC by Securitas will be allowed.
c. Any holding over beyond the agreed upon removal date shall incur a daily fee of One Hundred Dollars ($100) charged to the resident until the SC is removed.

93.4.0 ON-SITE COMPLIANCE

Prior to delivery to the Rossmoor destination, the resident or designated representative will ensure that the approved parking space for the SC is marked with cones.

November 14, 2016