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## **THIRD WALNUT CREEK MUTUAL POLICIES AND PROCEDURES**

AS REVISED SEPTEMBER 20, 2007  
AMENDED MARCH 27, 2008  
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REVISED MARCH 10<sup>th</sup>, 2025  
REVISED April 14<sup>th</sup>, 2025



### 1.1.1 INTRODUCTION

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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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## **APPENDICES**

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.

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## 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

11.0.0 COMPENSATION OF DIRECTORS PROHIBITED

Page 1 of 1

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

12.0.0 OPINIONS OF BOARD MEMBERS

Page 1 of 1

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

Page 1 of 1

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

14.0.0 COMMITTEES OF THE BOARD

Page 1 of 1

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

Page 1 of 1

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.

#### 16.2.0 PROJECT SPECIFIC ACCOUNTING

##### 16.2.1 SEGREGATION OF ACCOUNTS

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

##### 16.2.2 PROJECT SPECIFIC EXPENSES

Each Project pays its own expenses.

##### 16.2.3 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.

#### 16.2.4 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.

#### 16.2.5 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.

#### 16.2.6 PAYMENT METHODS – GENERAL FUND

In order to facilitate payments to a single vendor or taxing agency by two or more Projects, funds for shared invoices will be deposited into the TWCM Account from each project to cover their share of the expenditures prior to payment of the shared invoice. Each Project's expenditure 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.

*Revised March 10, 2025*

### 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.

#### 16.4.0 ALLOCATION OF INTEREST EARNINGS AND TAXES ON EARNINGS

##### 16.4.1 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.

##### 16.4.2 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.

#### 16.5.0 RESERVES BUDGETING AND FUND TRANSFERS

##### 16.5.1 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.

##### 16.5.2 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.

##### 16.5.3 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.

##### 16.5.4 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.

#### 16.5.5 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.

#### 16.5.6 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  
March 10, 2025

## 17.0.0 AUTHORITY TO SPEND RESERVE AND OPERATING FUNDS

Page 1 of 3

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.

## 17.0.0 AUTHORITY TO SPEND RESERVE AND OPERATING FUNDS

Page 2 of 3

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 paragraphs 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, whichever 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



18.0.0 ENFORCEMENT OF POLICIES

Page 1 of 1

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

Page 1 of 1

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.

<b>Type of Material</b>	<b>Third Walnut Creek Mutual</b>	<b>Golden Rain Foundation</b>
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

Page 1 of 1

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  
Page 1 of 1

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 documents; or the grant by vote of members of a Project of exclusive use of common area property pursuant to Civil Code Section 4600 or its successor statute shall be held by secret ballot in accordance with the procedures set forth below with the exception of Elections by Acclamation as outlined in Bylaw 6.6. 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. *(Revised May 8<sup>th</sup>, 2023)*

#### 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

*Third Walnut Creek Mutual* \_\_\_\_\_  
this TWCM Policies and Procedures 22.0.0 Elections.

22.0.5 DELETED AND INTENTIONALLY LEFT BLANK

22.0.6 DELETED AND INTENTIONALLY LEFT BLANK

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 member 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 the 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 or carried by hand to a location specified by the Inspector(s) of Election. The envelope must be received by the Inspector(s) not later than the closing of the polls, which shall be at least 24 hours before the start of the meeting to count the ballots. Ballots received after the closing of the polls 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.

*(Revised May 8<sup>th</sup>, 2023)*

#### 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. To preserve secrecy, all ballot envelopes shall be extracted from the signed envelopes and randomly mixed together before any ballot envelope is opened to extract the ballot. 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 fifteen (15) days after the election, the board shall publicize the tabulated results of the election in a communication directed to all members.

*(Revised May 8<sup>th</sup>, 2023)*

### 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

(Replaces former 22.3.0 Eligibility for Office of Director and 22.4.0 Nominating Procedure)

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.

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#### 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.

#### 22.6.0 NOTICE/TIMING REQUIREMENTS

The Third Walnut Creek mutual shall comply with the following notice/timing requirements: No later than the day the ballots are mailed, the “TWCM policies and procedures 22.0.0 (and sequence) elections” and Articles 5 and 6 of the Bylaws must be transmitted to the members of the districts where the elections are taking place. The Election Policies and Procedures and Articles 5 and 6 of the Bylaws shall not be amended or otherwise modified within ninety (90) days before any election or vote.

*(Revised May 8<sup>th</sup>, 2023)*

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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

24.0.0 REQUIREMENTS FOR INSURANCE COVERAGE

Page 1 of 7

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 Policies, 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.

## 24.0.0 REQUIREMENTS FOR INSURANCE COVERAGE

Page 2 of 7

### 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.

24.0.0 REQUIREMENTS FOR INSURANCE COVERAGE

Page 3 of 7

- (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 amount of the Mutual's Property Insurance policy shall be the best and highest amount available, i.e., full insurable replacement value, taking into consideration availability and affordability of the premium. If coverage of less than the full insurable replacement value of the covered property described in Section 10.2.1 of the Master Declaration of Covenant, Conditions and Restrictions is not available or is not cost effective, or if the premium is cost prohibitive, the Mutual shall obtain coverage for the highest percentage of insurable replacement value that is available for a premium that is not cost prohibitive or that is cost effective and is economically feasible. When considering economic feasibility, the board will consider all available factors, including but not limited to:  
A risk analysis/risk assessment obtained from a qualified risk manager or a qualified insurance broker including an analysis of possible maximum loss scenarios.

Undertaking inspections and implementing actions to mitigate casualty risks, e.g., by clearing brush/trees and by establishing fire breaks at building perimeters, and at the surrounding undeveloped hillsides.

Evaluating cost effectiveness at different percentages of coverage.

Such other financial factors and risk mitigation actions that a reasonable Board of Directors would consider under the same or similar circumstances.

#### 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

## 24.0.0 REQUIREMENTS FOR INSURANCE COVERAGE

Page 5 of 7

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.

### 24.4.0 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 State 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 theret o 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  
December 9, 2024

#### 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 RENTAL/LEASE RULES AND REGULATIONS (April 14, 2025)

Renting/leasing is a process by which the Owner of a condominium receives money or some other consideration in exchange for the right to occupy an 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, TWCM seeks to minimize the uncertainty and disruption that renting/leasing units bring 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 the Mutual inherent in a community of primarily owner-occupied residences.

It is recommended owners read the restrictions contained in Article 5 Rental or Leasing of the TWCM Covenants, Conditions, and Restrictions.

#### 41.1 RENTAL/LEASE RULES AND REGULATIONS

Each lease must be written on the TWCM Lease Agreement form and approved in writing by the TWCM Board.

New owners are required to reside in their unit for at least one year prior to renting or leasing their unit.

No more than 25% of the units in each Project may be rented at any time.

The maximum rental/lease period is 12 months. The lease may be extended by contracting the Membership Department at least 30 days prior to the end of the 12-month period.

The minimum rental/lease period is thirty days. No Owner may lease all or part of a Unit for less than 30 days or for any transient or hotel purposes (Airbnb, VRBO, etc.).

Tenants must meet all TWCM occupancy requirements.

Tenants will be required to adhere to all TWCM Governing Documents during their occupancy.

Unauthorized Rentals/Leases, including extensions of lease periods without approval, may subject the Owner to monetary penalties: See Appendix A Supplementary Information Section 18.3 Enforcement of Rules.

#### 41.2 RENTAL/LEASE APPROVAL PROCESS

Any owner wishing to rent/lease their property must contact the Member Records Department at Gateway to verify that the current rental/leases in their specific Project are less than the 25% limit and to verify the owner residency requirement has been met.

Each lease must be written on the TWCM *Lease Agreement* form and approved in writing by the TWCM Board. Owners may obtain TWCMs *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.

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.

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 the Owner.

Member Records will complete processing of the approved rental/lease, notify the Owner of approval, and provide documentation and notification for Rossmoor services as needed.

#### 41.3 MANAGEMENT OF AVAILABLE RENTAL/LEASE SPACE

If an Owner requests approval for a rental and the maximum number of units in the Owner's Project is already rented, the Owner's name will be placed on a rental waiting list and the request processed on a first-come-first-served basis.

When a lease expires in the Owner's Project and the number of rentals is less than the 25% limit the next Owner in line at that Project will be notified by the Mutual and offered the option to submit a rental/lease application. The Owner must contact Member Records at Gateway within 15 days of receiving notification and confirm their intent to submit a rental/lease application. The Owner will be given up to 90 days to submit the completed *Request to Lease* and *Lease Agreement* forms to Member Records or the Owner will be removed from the rental/lease waiting list.

January 13, 2000

March 30, 2007

July 14, 2008

July 8, 2013

April 14, 2025



#### 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 NONVEHICULAR 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.

42.0.0 CARPORT, GARAGE, AND GOLF CART SPACES

Page 2 of 2

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 statute 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

45.0.0 ASSESSMENTS DUE DATE, DELINQUENT  
PAYMENTS, AND REFERRAL FOR-COLLECTION  
Page 1 of 2

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 homeowner's associations from the general usury limit of 10% in the California Constitution. However, in as much 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 IMPOSITION  
OF FEES ON OWNERS  
Page 1 of 1

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 (homeowners' 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.

## 51.0.0 OWNER-INITIATED ALTERATIONS GENERALLY

Page 2 of 3

### 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

53.0.0 OWNER-INITIATED ALTERATIONS  
BALCONY AND ENTRYWAY FLOOR COVERINGS  
Page 1 of 1

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

54.0.0 OWNER-INITIATED ALTERATIONS

ENCLOSURES

Page 1 of 1

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* extend the landscaped area or modify the irrigation, and must not contain excessive statuary or other non-plant items.

- ② Director will interpret the italicized terms.
- ③ 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 by 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* ☹ 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 must furnish a stamped and signed drawing showing the existing or new supporting structure for a spa, and showing the weight, footprint and location of the proposed spa, which has been reviewed and approved by the City of Walnut Creek building department. The weight of the proposed spa must include the weight of the tub, the water, and the maximum number of occupants.  
*Revised March 10, 2025*
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  
March 10, 2025

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.

59.0.0 OWNER INITIATED ALTERATIONS  
HARD SURFACE FLOORING  
Page 2 of 2

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

## 60.0.0 RESTRICTIONS ON USES OF DECKS, PATIOS AND, ROOFS

Page 1 of 2

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

The building code basis of design, at the time of construction for Third Walnut Creek Mutual residences, allowed for a uniform live load of 40 pounds per square foot on decks. Live loads include people and movable objects such as furniture, plants, and other furnishings. Live loads should not exceed a concentrated weight greater than 360 pounds on an area less than 9 square feet, i.e., 3 feet by 3 feet. Decks supported by framing spanning between concrete bearing walls are limited to the loads specified above. Decks supported continuously by slabs at ground level may bear additional weight. 1. See Policy 57.0.0 for requirements for installation of spas on patios and decks.

*Revised: March 10, 2025*

### 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

60.0.0 RESTRICTIONS ON USES OF DECKS, PATIOS AND, ROOFS

Page 2 of 2

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  
March 10, 2025

There are several types of Supplemental Electrical Systems that Third Walnut Creek Mutual Owners may wish to retrofit to their Units. This policy governs the types of such systems allowed, their location, installation, maintenance, and ultimate removal.

These Supplemental Electrical Systems share several characteristics: they were not installed as part of a Unit's original construction; they often operate at power levels above 2 kilowatts; they require custom wiring; and they are subject to separate regulation under building and fire codes.

This policy is intended to conform to California Civil Code Sections 714, 714.1, 4745, 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 TWCM policies and rules pertaining to Solar, Battery, EVCS, and Other Supplemental Electrical System installations.

## 61.1 DEFINITIONS

Terms such as Board, Common Area, Exclusive Use Common Area, Unit, Owner, Project, TWCM, GRF and MOD have the meanings set forth in section 0.3.0 of this document.

### (A) Battery Energy Storage System (BESS)

Any system that can store electrical energy from the grid or other electricity generation facility and then discharge that energy at a later time upon demand. The system includes all operator controls, monitoring devices, circuit breakers, mounting devices, etc. necessary for the system's installation and proper continued functioning.

### (B) Level 2 Electric Vehicle Charging System (L2 EVCS)

Any system capable of recharging an electric vehicle at 240 volts (VAC) and power levels above 2 kilowatts (kW).

### (C) Main Panel

Each building has at least one Main Panel through which PG&E connects its grid to the Units within that building. The Main Panel, accessible from the outside of the building, has a separate meter and circuit breaker for each Unit. It also has a meter and circuit breaker for all the circuits in the building's Common Area. The Main Panels are owned by each Project.



(D) Solar Energy System (Solar)

Any system that collects solar energy and converts it into electrical energy. The system includes not just the solar panels, but also all monitoring devices, operator controls, mounting devices, etc. necessary for the system's proper installation and continued functioning.

(E) Supplemental Electrical System

Any system generating, storing, or consuming electrical power that was not installed when the Unit was first constructed, or which involves extending the Unit's electrical infrastructure to a separate structure. Supplemental Electrical Systems include Battery Energy Storage Systems, Solar Energy Systems, Electric Vehicle Charging Systems, as well as others not separately identified in this policy.

(F) Unit Sub-panel

Each Unit has an electrical panel mounted inside the Unit. This panel is wired directly to the Main Panel and has a circuit breaker for each circuit within the Unit and any attached garage or carport. The Unit Sub-panel is owned by the Unit Owner. Typically, each TWCM Unit has only one Unit Sub-panel, but additional ones can be connected to the Main Panel if necessary for a Supplemental Electrical System.

(G) Usable Solar Space

The amount and location of space on a TWCM building's roof suitable for solar panel installations, excluding space required for shaded areas, access to roof mounted equipment, and access for regular roof maintenance tasks as determined by MOD.

## 61.2.0 RESTRICTIONS ON SUPPLEMENTAL ELECTRICAL SYSTEMS

### 61.2.1 RESTRICTIONS ON TYPES OF SUPPLEMENTAL ELECTRICAL SYSTEMS

(A) The following types of Supplemental Electrical systems are allowed:

- (1) Solar Energy Systems
- (2) Battery Energy Storage Systems
- (3) Level 2 Electric Vehicle Charging Systems

(B) The following types of Supplemental Electrical systems are not allowed:

- (1) Electrical generators powered by combustible fuels, even on a temporary basis, for example, during a PG&E power outage.

- (C) If the Owner/Applicant wishes to install a type of Supplemental Electrical system not listed above, the TWCM Board must first decide whether to permit such a system to be installed on or within a TWCM structure, and if found to be acceptable, to establish Policy guidelines for that specific type of system.

#### 61.2.2 RESTRICTIONS ON LOCATION OF SUPPLEMENTAL ELECTRICAL SYSTEMS

- (A) All Supplemental Electrical Systems must be installed entirely within the Owner/Applicant's Exclusive Use Common Area, with the following exceptions.
- (1) Solar Energy System Location  
May be installed only on the roof of the condominium building in which the Owner/Applicant's Unit is located or upon the roof of an adjacent carport or garage which has been assigned to the Owner/Applicant's exclusive use. No other Common Areas in TWCM may be used for Solar Energy Systems by individual unit owners.
  - (2) Limitation on Roof Area for Solar  
Each Owner/Applicant is allowed to use no more than their proportionate share of the Usable Solar Space where proportionate share is calculated by dividing the building's total Usable Solar Space by the number of Units in that building.
  - (3) Battery Energy Storage System Location  
No BESS shall be installed in any Common Area unless the TWCM has granted an easement over the Project Common Area for that purpose in accordance with the provisions of the Resolution included after Exhibit C and adopted by the TWCM Board of Directors on April 14, 2025 which the Board in its sole discretion and without approval vote of the members, to grant and convey licenses for use, rights-of-way, and easements in, over, or under the Common Area, including those exceptions set forth in Civil Code Section 4500(b)(3) for solar energy systems. Any installation in a Common Area must be compatible with the appearance of surrounding structures and improvements and in a location that minimizes its public visibility.
  - (4) EV Charging System Location  
Policy 64 governs the installation of an EVCS outside an Owner's Exclusive Use Common Area.

(5) Appurtenances

Supplemental Electrical Systems may require small utility boxes (e.g., less than 24" wide, 24" high, and 12" deep) and conduit mounted on the outside walls of the building, i.e., in the Common Area. Building Code and Fire Department regulations may require some of these appurtenances to be placed within a specified distance of the Main Panel. All such appurtenances shall be sited so as to minimize public visibility. Conduit shall be painted to match the portion of the building the conduit is traversing.

### 61.3 APPLICATION PROCESS

In addition to the Alteration Permit procedures set forth in Policy 51, the following requirements must be completed as part of an application submittal and prior to the issuance of permits before a Supplemental Electrical System may be installed. These requirements are summarized in Exhibit A to this Policy.

(A) Contractor Qualifications

Installation shall be only by a properly licensed and insured contractor knowledgeable in the installation of the particular type of Supplemental Electrical System. The contractor shall provide proof of holding a California Contractor State Licensing Board C-10 license, or if only a Solar Energy System is being installed, a C-46 license. The contractor shall carry insurance 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. The contractor shall provide certificates of insurance for the above policies with endorsements that name the Owner/Applicant and TWCM as additional insureds.

(B) Engineering Drawings and Equipment Specifications

Owner/Applicant shall supply the following for all Supplemental Electrical Systems:

(1) Dimensioned engineering drawings of proposed installation showing placement of all supplemental components and appurtenances including routing of all conduits and placement of any electrical sub-panels.

(2) Manufacturers' specification sheets for all components

(3) Specifically for Solar Energy Systems:

(a) Calculation of the intended building's Usable Solar Space by the solar contractor showing that the area to be used by the intended Solar

61.0.0 SUPPLEMENTAL ELECTRICAL SYSTEMS: SOLAR, BATTERY, EVCS  
Page 5 of 17

Energy System does not exceed an equitable share of the Usable Solar Space for all remaining Units in the building.

(b) Dimensioned plans showing location of solar panels on roof. Panels must be non-glare and positioned flush to roof as close as possible to ridge line. Their positioning must allow for at least 24-inch clearance next to gutters, vents, skylights, or any other existing roof penetrations.

(c) Engineering drawings showing roof penetrations and methods of attaching solar panels to roof.

(C) Indemnification and Maintenance Agreement

Owner/Applicant shall execute a separate “Maintenance and Indemnity Agreement” in the form attached to this Policy as Exhibit B, acknowledging that they have read and understood this Policy, agreeing that the proposed Supplemental Electrical System’s installation and maintenance shall comply fully with this Policy, and further agreeing to indemnify and hold harmless the TWCM, 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 Supplemental Electrical System.

(D) Neighbor Notifications *Only for Solar Energy Systems.*

As required by the California Civil Code §4746(a)(1) the Owner/Applicant shall notify all other Owners of Units in the building on which the solar panels will be located of the Owner/Applicant’s intention to install a Solar Energy System. The Owner/Applicant shall certify the completion of these Neighbor Notifications by either:

(i) obtaining the signatures of other Owners on the form attached to this Policy as Exhibit B, and/or

(ii) submitting copies of the certified letter receipts after sending letters via USPS Certified Mail to the Other Owners describing the Owner/Applicant’s intention of installing a Solar Energy System.

(E) Proof of \$1 Million Liability Insurance Policy

The Owner/Applicant shall obtain proof of having a homeowner liability insurance policy providing at least \$1 million in coverage and naming the Third Walnut Creek Mutual as an additionally insured party. The Owner/Applicant must renew this liability insurance annually and provide evidence of annual renewal to MOD.

(F) Preparation of TWCM Alteration Application

When Owner/Applicant has accomplished the above requirements, they shall submit all the above documents to the MOD Alterations Department together with the prescribed Alteration Fee. The MOD Alterations Department shall then promptly prepare a formal TWCM Alteration Application for the Owner/Applicant's signature and submit the Application for approval by the TWCM Board.

(G) City of Walnut Creek Building Permit

After receiving approval from the TWCM Board, the Owner/Applicant shall obtain a Building Permit for the proposed Supplemental Electrical System from the City of Walnut Creek.

(H) Orange Mutual Building Permit Job Site Sign

After receiving the City's Building Permit, the Owner/Applicant shall submit the Permit to the MOD Alterations Department to confirm there are no material discrepancies between the plans approved by the TWCM Board and the plans approved by the City. After this confirmation is complete, the Alterations Department shall issue the orange "Mutual Building Permit" sign that is required to be displayed at the job site.

## 61.4 APPROVAL PROCESS

(A) Initial Review

The MOD Alterations Department shall review the completed Alteration Application and shall also submit it to the District Director and Alterations Committee for review. The MOD Alterations Department, District Director, or Alterations Committee may request reasonable restrictions or modifications to the proposed system, but they may not deny the Application.

(B) TWCM Board Review

After the initial review the TWCM Board or its Alterations Committee shall complete its review of the Supplemental Electrical System and instruct the MOD Alterations Department to convey its decision to the Owner/Applicant in writing no more than 45 days after the fully completed Alteration Application was first submitted to the MOD Alterations Department unless that delay is a result of a reasonable request for additional information. If the Alteration Application is disapproved, the written decision shall include an explanation of why it 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 TWCM shall be deemed

approved; this provision shall also apply to all other Supplemental Electrical Systems.

(C) Discrepancy between Board and City-approved Plans

If there is a material discrepancy between the plans approved by the TWCM and the plans approved by the City, then the revised plans shall be resubmitted to the MOD Alterations Department for approval as set forth in section 61.3, including a second payment of the Alteration Fee.

## 61.5 GENERAL INSTALLATION REQUIREMENTS

(A) All installations of Supplemental Electrical Systems shall be completed so as not to materially harm or damage common building elements of TWCM, or any other individual Unit or Exclusive Use Common Area, void any warranties held by TWCM or other Owners and/or impair the integrity of a building or structure. The Applicant is 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 Supplemental Electrical 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. If the roof is pitched the panels shall be installed flush to the roof; if the roof is flat, then they may be installed on tilted racks.

(C) There shall be no penetrations into building structures, not limited to walls and roofs, unless it is 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 shall be properly sealed and waterproofed in accordance with industry standards and building codes to prevent moisture penetration and resulting structural damage.

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

## 61.6 SAFETY

(A) Supplemental Electrical 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) Supplemental Electrical Systems 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 California Public Utilities Commission regarding safety and reliability.
- (C) To ensure the safety of individuals and allow safe access to the physical plant of TWCM, Supplemental Electrical Systems shall not obstruct access to or from any Unit, walkway, or ingress or egress into any area of the Project.
- (D) In approving the installation of any Supplemental Electrical System, the Board is entitled to rely upon the representation of the Owner/Applicant or their 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 Supplemental Electrical System or modify it so that it is in compliance with such criteria.

#### 61.7 MAINTENANCE (INCLUDING REPAIR, REPLACEMENT, REMOVAL)

- (A) Sole Responsibility  
Owner/Applicant is solely responsible for all costs associated with their Supplemental Electrical System, including but not limited to: replacement, repair, maintenance, moving and/or removal of the Supplemental Electrical System or any of its components; repair and/or replacement of any property damaged by the installation, maintenance and/or use of the Supplemental Electrical System; payment of any medical expenses incurred by all persons injured by the installation, maintenance and/or use of the Supplemental Electrical System; and/or restoration of Supplemental Electrical System installation sites to their original condition after removal.
- (B) Continued Maintenance  
Owner/Applicant shall not permit their Supplemental Electrical System to become a hazard or fall into disrepair. Owner/Applicant shall be responsible for correction of any safety hazards, repair, and/or replacement. Owner/Applicant shall be responsible for the cost of repainting or replacement of the visible appurtenances of the Supplemental Electrical System, such as conduits, plumbing and supports, if deterioration occurs, whether performed by TWCM or outside contractor.
- (C) Responsibility for Incurred Costs  
Owner/Applicant shall be responsible for any increased costs incurred by TWCM

in maintaining or repairing the Common Area or those portions of a Unit or Exclusive Use Common Area for which the TWCM is responsible for maintaining or repairing if such costs are caused by the installation, maintenance, repair, operation, and/or removal of the Supplemental Electrical System in the Common Area.

(D) Impact of other Required Maintenance

If it is necessary to temporarily remove a Supplemental Electrical System or some of its components so that TWCM may perform required maintenance or repairs to the Common Area, the Owner/Applicant of the Supplemental Electrical System shall be responsible, at their 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 thirty (30) days prior to the date removal is required. If the Owner/Applicant fails to remove a Supplemental Electrical System or a system component when requested to permit necessary maintenance or repairs, TWCM may remove the system or component and charge the cost of such removal to the Owner/Applicant. So long as TWCM uses reasonable care in removing and reinstalling the Supplemental Electrical System or any component thereof, TWCM shall not be responsible for any damage caused to the system or component by such removal or reinstallation nor for any damage to the Common Area caused by the removal or reinstallation.

(E) Tree Shading *only for Solar Energy Systems*

(1) Plantings made before installation of Solar Energy System

TWCM 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 installed.

(2) Plantings made after installation of Solar Energy System

Trees or shrubs planted by the TWCM 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 by the landscape or tree experts of TWCM.

(F) Errant Golf Balls *only for Solar Energy Systems*

Owner/Applicant is advised that if the Property is adjacent to or near a golf course the Solar Energy System may be damaged by errant golf balls striking the panels. The Owner/Applicant shall be responsible for the cost of repair and/or



replacement of the damaged panels if the responsible golfer does not take responsibility for the damage.

## 61.8 SALE OR TRANSFER OF OWNER'S UNIT

### (A) Buyer's Responsibilities

Upon sale or transfer of any Owner/Applicant's interest in a Unit in which one or more Supplemental Electrical Systems have been installed, the buyer or transferee shall assume in writing all of the Owner/Applicant's duties and responsibilities as outlined in this Policy 61 and shall execute a Maintenance and Indemnity Agreement in the form of Exhibit B for each such system prior to close of escrow.

### (B) Removal of Supplemental Electrical System

If a buyer or a transferee does not execute a Maintenance and Indemnity Agreement for any of the Supplemental Electrical Systems installed at the Unit being purchased, the Owner/Applicant (i.e., the seller) must remove that Supplemental Electrical System and restore the area where it had been located in accordance with the Removal Procedures set forth in Policy 61.9 prior to close of escrow. Should an Owner/Applicant fail to remove the Solar Energy System when required, TWCM may remove the Solar Energy System at the Owner/Applicant's expense.

## 61.9 REMOVAL OF SUPPLEMENTAL ELECTRICAL SYSTEM

If, for any reason, a Supplemental Electrical System must be removed, the following procedures shall be followed, and all work shall be done to the satisfaction of TWCM:

- (A) Owner of installation shall obtain a TWCM Alteration permit for removal. This ensures that the work is done by a licensed contractor with appropriate insurance and in accordance with all permits and legal requirements.
- (B) Owner must obtain Walnut Creek city permit (if required).
- (C) *only for Solar Energy System:* After removal of the solar panels, Owner shall remove roofing and plywood in areas previously covered by the panels, if required by the TWCM Building Maintenance Manager. If deemed necessary by TWCM, Owner install new roofing system matching the pre-existing roofing design, although an exact color match may not be possible.
- (D) Owner shall patch all penetrations where appurtenances were installed.

- (E) Owner shall inspect structure, utility/meter closets and electrical panels for penetrations and repair them.
- (F) Owner shall properly dispose of all materials outside the boundaries of Rossmoor.

Revised: April 14, 2025

## **EXHIBIT A: SUPPLEMENTAL ELECTRICAL SYSTEM APPLICATION CHECKLIST**

The following documents must be provided to the MOD Alterations Department when the Alterations Application is submitted. This list is just a summary for convenience; Policy 61.3 states the detailed requirements for these documents.

- (A) Contractor's CSLB license (either C-10 or C-46 as appropriate) plus certificate of insurance showing
  - i) Worker's Compensation coverage at or above the level required by California law;
  - ii) General Liability coverage of at least \$500,000; and
  - iii) Endorsements that name the Owner/Applicant and TWCM as additional insureds.
- (B) Engineering drawings and specifications including
  - i) Dimensioned engineering drawings showing placement of all system components and appurtenances including conduits and sub-panels
  - ii) Manufacturer's specification sheets for all components
  - iii) *only for Solar Energy System*
    - calculation of the building's total Usable Solar Space
    - amount of the total space to be used by the proposed system
    - positioning of the panels relative to gutters and roof penetrations
- (C) Indemnification and Maintenance Agreement (Exhibit B)
- (D) *only for Solar* Neighbors Notification (Exhibit C) and/or copies of Certified Mail receipts
- (E) Proof of \$1 Million homeowner liability insurance naming TWCM as an additional insured

When all these documents have been obtained, the Owner shall submit them together with the prescribed Alteration Fee to the MOD Alterations Department. The Alterations Department will prepare an Alteration Application for the Owner's signature, and then submit the Application to TWCM's Board for approval. The Owner will receive a written notice of approval or disapproval within 45 days of submission.

After Approval has been granted, the Alterations Department will send an approval letter to the City of Walnut Creek Building Department, and the Owner should submit their plans to the City for a building permit. After the City's Building Department has issued the permit, Owner shall submit the City's permit to the Alterations Department who will confirm that the plans approved in the permit match the originally plans approved by the

Mutual's Board. If they match, then the Alterations Department will issue the orange "Mutual Building Permit" that is required to be displayed at the job site.

If the plan originally approved by the TWCM Board materially differs from the plan approved by the City, then the approval process must start over, this time with City's approved plans as item (B) from this checklist. The Alteration Fee will have to be paid a second time. The TWCM Board again has 45 days to complete the approval process.

Confirmation that the Board-approved and City-approved plans match is required because there have been cases where a material discrepancy between the plans emerged, a discrepancy which involved unauthorized use of TWCM Common Property.

If the Contractor selected by the Owner is properly experienced with this type of work, a discrepancy of this nature should not happen.

Revised: April 14, 2025

**EXHIBIT B: MAINTENANCE AND INDEMNITY AGREEMENT**

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 (“TWCM”), a California nonprofit mutual benefit corporation, of my/our application to allow the installation of a Supplemental Electrical System in our Exclusive Use Area and/or the Common Area of the building located at the above address, I/we acknowledge that I/we have read Third Walnut Creek Mutual’s Policy 61.0 Supplemental Electrical Systems: Solar, Battery, EVCS (“Policy 61.0”), understand its contents, and agree as follows:

1. The proposed Supplemental Electrical System shall be installed and maintained in full compliance with Policy 61.0 and Alteration Permit # \_\_\_\_\_ that has been approved by TWCM 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 way connected with the installation, maintenance, operation or removal of the Supplemental Electrical System described in Alteration Permit # \_\_\_\_\_.

3. If the Supplemental Electrical System under Alteration Permit # \_\_\_\_\_ includes a Solar Energy System, it shall be installed on the common-area roof of the building at \_\_\_\_\_, Walnut Creek, CA 94595 in the manner and location approved by TWCM, 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 or transfer the unit, the buyer or transferee shall accept in writing the obligations under this agreement or the Undersigned agrees to remove the installation at their own cost and restore the Common Area to its original condition in compliance with Policy 61.0.

5. Should the Undersigned fail to meet its obligation to defend and/or indemnify and hold harmless in accordance with this agreement, then in such case Indemnatee 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.

7. 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 Supplemental Electrical System, as follows:

Name of Owner: \_\_\_\_\_ By (signature): \_\_\_\_\_

Name of Owner: \_\_\_\_\_ By (signature): \_\_\_\_\_

Name of Owner: \_\_\_\_\_ By (signature): \_\_\_\_\_

Revised: April 14, 2025

**EXHIBIT C: OTHER OWNER NOTIFICATION FORM**

Owner/Applicant Name: \_\_\_\_\_

Solar panels to be installed on building at: \_\_\_\_\_

Owner/Applicant, resident in the above building, intends to install a Solar Energy System on an equitably shared portion of the building's roof. In accordance with California Civil Code §4746, the Owner/Applicant is required to notify Owners or all other Units in this building of their intent and requests your acknowledgement of this notification. Please note that §4746 prohibits any other Owner or the Third Walnut Creek Mutual from denying approval.

Name: \_\_\_\_\_ Signature: \_\_\_\_\_

Unit # \_\_\_\_\_ Date: \_\_\_\_\_

Name: \_\_\_\_\_ Signature: \_\_\_\_\_

Unit # \_\_\_\_\_ Date: \_\_\_\_\_

Name: \_\_\_\_\_ Signature: \_\_\_\_\_

Unit # \_\_\_\_\_ Date: \_\_\_\_\_

Name: \_\_\_\_\_ Signature: \_\_\_\_\_

Unit # \_\_\_\_\_ Date: \_\_\_\_\_

Name: \_\_\_\_\_ Signature: \_\_\_\_\_

Unit # \_\_\_\_\_ Date: \_\_\_\_\_

RESOLUTION OF THE THIRD WALNUT CREEK MUTUAL (TWCM) BOARD OF DIRECTORS shall have the power and authority to grant solar battery wall easements without member approval if the member application otherwise complies with all other safety and aesthetic requirements.

- A. Whereas, in 2018 the California Legislature enacted Civil Code Section 714 which declared it to be the policy of the state to promote and encourage the use of solar energy systems and to remove obstacles thereto, and
- B. Whereas, solar energy systems were defined to mean a feature whose primary purpose is the collection, storage, and distribution of solar energy for electricity generation, space heating or cooling, or for water heating, and
- C. Whereas, in furtherance of that policy, the Legislature also amended Civil Code Section 4600 to allow HOA boards to grant an exception from the requirement that grants of exclusive use of the common area to a member require an affirmative vote of the members for several specified reasons, including the installation and use a solar energy system on the common area roof of a residence that meets the requirements of Sections 714, 714.1, and, if applicable, Section 4746, and
- D. Whereas, Section 3.11 of the TWCM Conditions, Covenants and Restrictions (CC&Rs) in pertinent part, empowers the Board of TWCM, in its sole discretion and without approval vote of the members, to grant and convey licenses for use, rights-of-way, and easements in, over, or under the Common Area, including those exceptions set forth in Civil Code Section 4600(b)(3) for solar energy systems, and
- E. Whereas, in the intervening years since the adoption of Section 3.11 of TWCM CC&Rs, the battery component of solar energy systems has grown significantly in size, weight and complexity to accommodate evolving needs of owners to have an alternative source of energy when the energy grid is interrupted for extended periods of time, and
- F. Whereas, those substantial weight and size increases can exceed the structural capacity of a roof, especially roofs made of slate, wood or terracotta tiles common in Rossmore as those materials are much more brittle and can easily break under the weight of solar panels, much less heavy solar batteries, and



G. Whereas, these types of roofing materials require specialized mounting equipment and components that, among other things, help protect against leakage, which can increase installation costs, and

G. Whereas, those installation costs and safety concerns are also impacted by the difficulties in the placement of heavy batteries on a roof, which can be exacerbated by the slope of the roof, and

H. Whereas, these concerns require a roof structure assessment that can further increase costs, and

I. Whereas, because batteries perform best and last longer when kept within a comfortable temperature range, which is difficult to maintain on a roof exposed to extreme weather conditions, the installation of heavy solar batteries on roofs is impractical, and

J. Whereas, the placement of these batteries on the roof raise serious safety hazards, especially during extreme weather or in the event of a fire, and

K. Whereas, because solar energy systems have a long lifespan (25+ years), a durable roof is essential. These practical, safety and cost concerns are further impacted by the age of the roof structure, which in Rossmoor is commonly over 50 years, and

L. Whereas Section 714 allows reasonable restrictions on solar energy systems that do not significantly increase the cost of the system or significantly decrease its efficiency or energy conservation benefits, and

M. Whereas, limiting the placement of solar batteries as components of a solar energy system to roofs in order to avoid the impracticality of member approval, impermissibly frustrates compliance by the TWCM Board with policy to promote and encourage the use of solar energy systems and to remove obstacles thereto,

Now, Therefore,

Be it resolved by the TWCM Board of Directors, that because of these significant practical, safety, and cost concerns, the TWCM Board finds that Section 3.11, insofar as it limits the Board to granting a solar energy system easement without membership approval, to placement of a battery on a roof is void and unenforceable.

The Board further finds that in conformance with Civil Code Section 714's mandate that a CC&R provision shall not effectively prohibit or restrict the installation or use of a solar energy system, the TWCM Board shall have the power and authority to grant solar battery wall easements without member approval if the member application otherwise complies with all other permitting safety and aesthetic requirements.

Dated and Approved on April 14, 2025.

Third Walnut Creek Mutual

A handwritten signature in cursive script that reads "Tom Lauck". The signature is written in dark ink and is positioned above a horizontal line.

Tom Lauck, President TWCM

Name: \_\_\_\_\_ Signature: \_\_\_\_\_

Unit # \_\_\_\_\_ Date: \_\_\_\_\_

Revised: April 14, 2025

#### 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

63.0.0 ENCROACHMENTS  
(Other than owner-maintained gardens \*)  
Page 1 of 2

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

63.0.0 ENCROACHMENTS  
(Other than owner-maintained gardens \*)  
Page 2 of 2

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

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

Civil Code section 4745 requires Third Mutual to approve applications for electric vehicles for which we have formulated the following rules. In addition, rules for major appliances and power tools are included in this chapter.

### 64A: ELECTRIC VEHICLE REQUIREMENTS

“Electric Vehicle” is a plug-in electric or hybrid vehicle, sports utility vehicle (SUV), van or truck.

- 1.0 Any member of Third Mutual who has an electric vehicle (EV) and wishes to charge the EV in a Mutual garage or carport must install an Electric Vehicle Charging Station (EVCS).

The member must:

- a. Obtain a valid permit from the City of Walnut Creek
  - b. Submit a filled out “Alteration Agreement” to the Mutual in care of the Mutual Operations Division (MOD). This form is available from MOD. The form will require submitting plans and specifications. The checklist must note where the ECVS is to be located, the brand and the technical specifications of the ECVS. The EVCS must use a National Electrical Manufacturers Association, standard alternating current power plug.
  - c. The member is required to agree to indemnify and hold the Mutual harmless, pay the electric bills, be responsible for the ECVS and its maintenance and repair. The member must have a liability coverage policy. The existence of the EVCS must be disclosed to the next buyer. The next buyer must also agree to the conditions described above. If the next buyer does not wish to have the ECVS, the seller must return the garage to its original condition.
- 2.0 The member must obtain approval of the alteration agreement from the Mutual before beginning work and must hire a qualified licensed and insured contractor. THE EVCS should be installed at least 18 inches-24 inches off the floor and be installed in such a way as to guard against inadvertent contact or disconnection.
  - 3.0 The member must install a separate meter for the EVCS or hard wire the ECVS back to the electrical meter of the associated manor. At the time the ECVS is installed, the installation must meet all the requirements established by state and local laws, PG&E and the manufacturer of the vehicle. The EVCS should conform to the surrounding structures in design, size and appearance, without exposed wiring. The member must bear all costs for the installation, operation, maintenance, repair and replacement of the EVCS as well as its removal if necessary.

4.0 Project/Mutual electric outlets may never be used to charge electric vehicles; nor may extension cords be used.

5.0 If installing an EVCS in member's own carport or garage is impossible or unreasonably expensive, the Mutual may allow the member to install the EVCS in common area space. The requirements 1-4 above must be adhered to, and the Mutual will enter into a license agreement with the member for the use of common area space.

#### 64B: GOLF CARTS.

1.0 Golf Carts: Golf carts are vehicles that weigh less than 1,300 lbs., can carry only two people including the driver, and have at least three wheels

2.0 Some golf carts use a standard 120V receptacle with 12 amps to charge their batteries. Those may be charged in the garage if their use of the existing amperage along with any other electric device drawing power does not exceed 80% of the amperage that is available for use.

3.0 If the golf cart requires a charger rated more than 12 amps, the member must install a dedicated electric circuit conforming to the golf cart manufacturer's instructions. The member is required to agree to indemnify and hold the Mutual harmless. The member must obtain an alteration permit from MOD, and a permit from the City of Walnut Creek. The member must pay for the installation, maintenance and repair of the dedicated electric circuit as well as the electricity used. The member must have liability insurance coverage. The existence of the dedicated electric circuit must be disclosed to the next buyer who must also agree to the conditions described above. If the buyer does not wish to have the dedicated electric circuit, the seller must return the electrical system to its original condition. This applies whether the golf cart is parked in an attached garage or a stand-alone garage or carport owned by the member.

4.0 A permit or state registration for golf carts is not required, but Rossmore requires that members register their golf carts.

#### 64C: NEIGHBORHOOD ELECTRIC VEHICLES (NEV'S) AND LOW SPEED VEHICLES (LSV'S)

1.0 NEV's and LSV's are treated as the same thing. These vehicles have four wheels, and can travel 20 mph but not more than 25 mph. They can weigh up to 3,000 lbs. They look like golf carts, but they must be registered by the State of California, be insured, and have a Vehicle Identification Number. They cannot operate on a roadway where the speed limit is 35 mph or over.



- 2.0 A member who owns one of these vehicles must install a separate meter for NEV/LSV or hard wire the NEV/LSV back to the manor's electrical meter. The member is required to agree to indemnify and hold the Mutual harmless. The member must pay for the installation, maintenance and repair of the separate meter or hardwiring back to the manor's electrical meter as well as the cost of the electricity being used. The member must have liability insurance coverage. The existence of the separate meter or hard wiring back to the manor's electrical meter must be disclosed to the next buyer who must also agree to the conditions described above. If the buyer does not wish to have the separate meter or to the hard wiring back to the manor's electrical meter, the seller must return the electrical system to its original condition. This installation must meet all the requirements established by state and local laws, PG&E and the manufacturer of the vehicle. It should conform to the surrounding structures in design, size and appearance, without exposed wiring. The member will need a permit from the City of Walnut Creek, and an approved alteration permit from the MOD. A qualified licensed and insured electrical contractor must be used to install the alteration.

#### 64D: STAND-ALONE GARAGES AND CARPORTS

- 1.0 Stand-alone garages and carports have a different challenge if they contain multiple assigned parking spaces that may be remote from the unit. Because they are separate from the residence, they typically have electrical outlets for convenience that are paid for by the Project. Devices that are plugged in continually, such as golf carts, may not be plugged in to the convenience outlets because they may overload the circuit. If the Mutual decides that the stand-alone garage or carport is not suitable for charging a golf cart, the Project will install a suitably designed electric panel on the wall. The Project will establish an annual fee for the use of electricity. Some charging issues will be specific to the Project and must be the responsibility of the Project rather than the Mutual.
- 2.0 Members may never run an extension cord from the manor to the golf cart. If the member also has a garage or carport which is attached to the member's unit, then the golf cart must be charged there, rather than require the Project to change the electrical setup in a stand-alone garage.

#### 64E: MAJOR APPLIANCES AND POWER TOOLS IN THE GARAGE.

- 1.0 A freezer or refrigerator can be plugged in a garage only to a GFCI circuit, without the use of an extension cord. The amps drawn by the freezer or refrigerator plus the amps drawn by the garage door opener must add up to less than 80% of the amperage available on the circuit. Thus, a typical refrigerator which draws 6.8 amps, and a garage door opener which draws 4.5 amps, would add up to 11.3

amps, which is within the safety margin of 12 amps on a 15-amp circuit. Adding in other devices, power tools, or extra lights, might well overdraw the safety margin, and trip the GFCI circuit breaker. In order to prevent that, it would be necessary to upgrade the electrical system perhaps to 20 amps or bring in a dedicated line for the refrigerator, freezer or power tools. In some cases, the bedroom and the garage are on the same circuit, reducing the amps available for use. In these cases, a dedicated line for the refrigerator, freezer, or power tools in the garage is necessary. If a member elects to install a dedicated line the member is required to agree to indemnify and hold the Mutual harmless. The member is responsible for the cost of installation, repair and maintenance of the dedicated line. The member must have a liability insurance coverage. The existence of the dedicated line must be disclosed to the next buyer. The next buyer must also agree to the conditions above. If the next buyer does not wish to have the dedicated line, the seller must return the electrical lines in the garage to the original condition.

2.0 Extension cords may not be used to power a refrigerator or freezer in the garage.

May 14, 2012  
October 10, 2016  
May 11, 2020

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 Project to 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 Indemnatee 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.

65.0.0 OWNER-INITIATED ALTERATIONS

HARDWOOD FLOOR REFINISHING

PAGE 1 OF 1

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 fireplaces 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-exclusive 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 FINE S 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.

② 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.

73.0.0 OWNER ACCESS TO MEMBERSHIP LISTS

Page 2 of 2

② 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

Page 1 of 1

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

Page 1 of 1

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

Except for designated Project Common Area Barbecues, open-flame outdoor cooking devices (barbecues) using charcoal fuel are not permitted for use in any exclusive use common areas. Only outdoor cooking devices (barbecues) fueled by propane or electricity are permitted for use in the unenclosed exclusive-use common areas that are patios or balconies.

All barbecues, both propane-fueled and electric, must have a cover or lid that can close over the barbecue in case of a flare-up.

Use of an electric barbecue requires that it be plugged into a Ground Fault Circuit Interrupter (GFI) outlet. When not in use, electric barbecues must remain unplugged.

Propane-fueled barbecues must not be operated within three feet of combustible materials above or on all sides of the barbecues. If there is a gas valve on the tank of a propane-fueled barbecue, the valve on this tank must be turned off when not in use.

It is required that a fully charged ABC rated fire extinguisher be available nearby and clearly visible when a propane-fueled barbecue is being operated.

It is recommended that all barbecues be attended at all times when in use.

It is recommended that residents do not barbecue on Spare the Air days.

If complaints from neighbors have been received regarding barbecue smoke or odors, it is recommended that these neighbors be advised in advance of future plans to barbecue so that windows and doors can be closed.

It is recommended that users read and adhere to the operation and maintenance instructions for their barbecue.

October 11, 2004  
September 9, 2008  
May 11, 2020

79.0.0 SECONDARY MAILING ADDRESSES

Page 1 of 1

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

89.0.0 Minimum Threshold Levels of Operating Funds and  
Reserve Funds to be maintained by Projects  
Page 1 of 1

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

Page 1 of 1

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

Page 1 of 1

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

Page 1 of 1

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

### POLICY 93.0.0 RULES FOR USE OF STORAGE CONTAINERS (commonly referred to as PODs) WITHIN THIRD WALNUT CREEK MUTUAL

Page 1 of 2

#### 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.

POLICY 93.0.0 RULES FOR USE OF STORAGE CONTAINERS  
(commonly referred to as PODs) WITHIN THIRD WALNUT CREEK MUTUAL  
Page 2 of 2

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

All buildings in a Project are rehabbed approximately every ten years. In each ten-year cycle, all Project buildings are painted from a single palette selection of colors. This ensures that all buildings in a Project reflect harmony and consistency in color throughout. This also ensures that all homeowners in the Project are offered the same paint color choices so that the exterior paint colors of all buildings are equally attractive. A full cycle of painting all buildings in a Project may take several years to complete.

At the beginning of a new rehab cycle for a Project, a new exterior paint color palette may be chosen. To begin the process of exterior paint color selections, MOD staff will meet with the Project's director to get a general idea of what the director might envision for the color scheme.

Next, the director will notify all homeowners in a Project of the start of a new rehab cycle, with the opportunity to select paint colors for the exterior siding and trim of the buildings. The director will ask for volunteers to serve on a Paint Selection Committee. All who volunteer must be accepted as members of the Paint Selection Committee.

The director will then notify homeowners as to who the Paint Selection Committee members are and encourage homeowners to contact the committee members with suggestions or comments.

The director and MOD staff will meet with the Paint Selection Committee to develop a color palette. MOD staff will provide a selection of color boards at these meetings to help the committee work through color suggestions so that the committee can eventually narrow the selection of colors to a limited number (ideally 5-8). If the committee cannot come to a unanimous agreement on colors, there will be a vote of committee members and the majority will prevail. Finally, the palette will be reviewed by the director who has final approval of the color selections.

MOD staff or the director will then contact the homeowners whose buildings are about to be rehabbed and set up meetings with them to select siding and trim colors from the approved color palette. MOD staff will provide color boards and other information to help homeowners in the selection process.

After these meetings, MOD staff will distribute petitions, one per unit in each building, requesting the preference of color for both siding and trim. All units in a building must agree as there can be only one siding color and one trim color per building. If the color choices in a building are not unanimous, the majority choice of those who returned the petitions will prevail.

### **Front Doors**

Original front doors will be stained and varnished or painted in a high gloss finish that is the same color as the body of the building, with trim around the door being painted the trim color. Front doors that have been altered in any way will not be painted during rehab.

95.0.0 CHANGING THE PAINT COLOR OF A FRONT DOOR

Page 1 of 1

Living in a planned community such as Rossmoor means respecting the need for harmony in both color and design within a neighborhood to help ensure that aesthetics and marketability are maintained.

In order for a homeowner to apply for director approval to change the paint color of his/her unit's front door to an accent color, meaning a color different from the one that was used during rehab by the Project, it is necessary to first enlist agreement from the neighbors whose homes are adjacent to their unit or whose front entrance faces their unit, as determined by the director. A sample of the new paint color must be provided so that the neighbors can view the proposed new color.

If the homeowner is unable to obtain all of the necessary signatures due to unavailability of signatories, a refused signature, or a dispute, the director will have the final decision.

Once the necessary neighbor approvals are received, the form must be submitted to the Project's director for the director's final approval and signature. A copy of the approved application will be given to the resident and a second copy maintained in the resident's MOD file.

An MOD Alteration application is not required. Changing the paint color of a front door in this way is considered an alteration and the door becomes the responsibility of the owner to maintain.

Painting must be done by a licensed painter or contractor.

This Policy refers ONLY to doors that are painted. This Policy does not refer to doors that are varnished or stained.

The Application Form follows.

May 11, 2020

Third Walnut Creek Mutual  
APPLICATION TO PAINT DOOR - ACCENT COLOR

Owner Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone #: \_\_\_\_\_ E-mail: \_\_\_\_\_

I wish to paint my front door using an accent color. (Please attach a color swatch to this application.)

Color: \_\_\_\_\_ Color #: \_\_\_\_\_ Manufacturer: \_\_\_\_\_

NEIGHBOR APPROVALS:

NAME	SIGNATURE	ADDRESS	DATE

Please complete this application and forward to the TWCM Director of your Project for approval. Your Director may contact you for additional information.

**For Director's Use Only.**

I approve this resident application to have their front exterior door, at the address above, painted an accent color as designated above.

DIRECTOR: \_\_\_\_\_ DATE: \_\_\_\_\_