

**WALNUT CREEK MUTUAL THIRTY-NINE  
(MUTUAL 39)  
RULES AND REGULATIONS**

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

**October 14, 2021**

<b>INTRODUCTION - CONFORMITY WITH LAWS AND LEGAL DOCUMENTS</b>	R & R No:	0.1.0
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## 0.1.0 INTRODUCTION

This manual of Rules and Regulations 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 Rules and Regulations 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) Mutual 39 Covenants, Conditions, & Restrictions (CC&Rs) and Agreements Establishing CC&Rs for Projects in Walnut Creek Mutual Thirty-Nine
- 6) Walnut Creek Mutual Thirty-Nine (Mutual 39) Articles of Incorporation
- 7) Walnut Creek Mutual Thirty-Nine (Mutual 39) Bylaws

The Mutual 39 Rules and Regulations do not supersede any provision of these documents.

The documents named above establish the parameters within which the Board of Directors of Mutual 39 manages, operates, and maintains the properties of the Mutual 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 the Mutual 39 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 Rules and Regulations.

The overall objectives of the 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 Unit 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 Rules, distributing financial information, and making necessary disclosures about such things as lawsuits and building defects.

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**Appendix A** contains supplementary information identified by the item number of the Rule or Regulation that is supplemented. A copy of Appendix A accompanies each copy of the Rules and Regulation's manual.

**Appendix B** contains an archive of superseded Rules and Regulations identified by the item number of the superseding Rule or Regulation. A copy of Appendix B does not accompany each copy of the Rules and Regulations manual. Instead, the Secretary keeps one copy and one copy is kept in the Board Office for reference.

#### 11.0.0 COMPENSATION OF DIRECTORS PROHIBITED

As set forth in the bylaws, no compensation shall be paid to directors. A director may not be an employee of Mutual 39 or Golden Rain Foundation.

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

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## OPINIONS OF BOARD MEMBERS

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 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.

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

- 1) By Walnut Creek Mutual Thirty-Nine'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.

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## 14.0 COMMITTEES OF THE BOARD

The Board, on its own initiative or on recommendation by the President, appoints committees of the Board (Bylaws Article XVIII, Section 8.1). The chairperson of each committee does not have to be a member of the Board but 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.



## 15.0.0 MEMBERSHIP APPLICATIONS AND CERTIFICATES

### 15.1.0 DELEGATION OF AUTHORITY TO ACCEPT MEMBERSHIP APPLICATIONS

The Secretary or any other officer of Mutual 39 may review applications for membership in the Mutual, 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

### 15.2.0 ISSUANCE OF MEMBERSHIP CERTIFICATES

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

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## 16.0.0 FISCAL MANAGEMENT

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

### 16.1.0 COMPLIANCE WITH CIVIL CODE § 5500

To comply with Civil Code §5500, the Board will review the following fiscal items on a monthly basis:

- 1) A current reconciliation of Mutual's operating account.
- 2) A current reconciliation of Mutual's reserve account.
- 3) The current year's actual reserve revenues and expenses compared with the current year's budget.
- 4) The latest account statements prepared by the financial institutions where the Mutual maintains its operating and reserve accounts.
- 5) An income and expense statement for the Mutual's operating and reserve accounts.
- 6) The check register, monthly general ledger, and delinquent assessment receivable reports.

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. INVESTMENTS

### 16.2.1 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 of the principal.

To meet the safety criteria, all Mutual 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. Mutual 39 will not borrow to purchase any security for a Mutual account and will not purchase any security for a Mutual account at a premium above net asset value.

To meet the accessibility criteria, a Mutual's reserve funds may be invested in authorized investment accounts, not to exceed five (5) years maturity from date of purchase. Board approval is required for investments in excess of three-year maturities.

### 16.2.2 INVESTMENT AUTHORITY

The Treasurer or Assistant Treasurer is authorized and empowered, subject to the approval of the Board, to establish and maintain one or more investment accounts as specified in 16.2.1.

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

#### 16.3.1 OPERATING FUNDS

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

#### 16.3.2 RESERVE FUNDS

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

### 16.4.0 RESERVES BUDGETING AND FUND TRANSFERS

#### 16.4.1 RESERVE WORK BUDGETS

Reserve work budgets shall not include potential transfers from operating funds.

#### 16.4.2 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.

#### 16.4.3 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 Mutual President, and only to the extent that the operating funds are adequate, as determined by the Finance committee.

#### 16.4.4 REQUIREMENT FOR DIRECT WITHDRAWAL FROM RESERVES

The Board may establish a threshold expense amount above which current reserves billable expenses of the Mutual shall be paid directly to the vendor by withdrawal from the Mutual'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.

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#### 16.4.5 REIMBURSABLE USE OF OPERATING FUNDS FOR CURRENT RESERVES BILLABLE WORK

Mutual's operating fund balances in excess of current operating fund needs may be expended for current reserves billable work, with reimbursement from the Mutual'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 Mutual'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, or the Assistant Treasurer.

Reserve funds shall 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.

#### 16.4.6 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. Any proposal for such a loan shall be accompanied by a repayment plan subject to Board approval.

#### 16.5.0 RETENTION FUNDS

Reserve funds retained from a contractor to assure satisfactory performance by the contractor may be used by the Mutual 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 Mutual's reserve account.

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## 17.0.0 AUTHORITY TO SPEND RESERVE AND OPERATING FUNDS

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 budgets. The budgeted amount for each primary category of expense may not be exceeded except by written consent of the Mutual President.

### 17.1.0 RESERVE FUND EXPENDITURES

The Board adopts a reserve fund expenditure budget for items such as building maintenance, rehabilitation, and roofing each year after input by the Finance Committee, Mutual President, outside consultants and the Managing Agent.

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 Mutual 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 budget, subject to limitations stated in the preceding paragraph and subject to approval by the Mutual President; provided that all contracts and all work orders for goods or services in excess of \$5,000, shall be signed by the Mutual President or Vice President and reported to the Board.

Pursuant to Civil Code section 5510(a), withdrawal of funds from the reserve accounts requires signatures of any two of the following three persons: the Mutual President, the Treasurer, and an Assistant Treasurer.

### 17.2.0 OPERATING FUND EXPENDITURES

The Board adopts an operating fund expenditure budget each year after input by the Finance Committee, Mutual President and the Managing Agent.

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 budget, subject to limitations stated in the preceding paragraphs

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and subject to approval by the Mutual President for any expenditure for Building Maintenance, Public Works, and Landscape Maintenance. provided that all contracts and all work orders for goods or services in excess of \$5,000 shall be approved by the Mutual President or Vice President and reported to the Board.

The Managing Agent is also authorized to debit the Mutual's operating account, within limits of the Board-approved budget, for the utility bills, professional services, income taxes, and general and administrative expenses billable to the Mutual 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 the Mutual's general requirements for structure and content, must have been approved by the Mutual President in accordance with the rules, must be for expenses within the Mutual'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 with approval by the Mutual President. Contract and work order amounts at or above \$5,000 may be increased, within budget limits, up to 5% of the original contract amount, with approval by the Mutual President. Additional increases, within budget limits, require approval by the Mutual President or Vice President. Budget limits may not be exceeded except by permission of the Mutual President and approval by the Board.

#### 17.4.0 URGENCY/INCAPACITY

If the need for an approval is urgent, but the officer is incapacitated or absent from Rossmoor without having delegated approval authority, the approval authority shall be exercised jointly by the Mutual President or a Board Director in case the President is unavailable, 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 to stop losses or mitigate safety issues. Such expenses must be reported at the earliest opportunity to the President or the Treasurer, if the amount exceeds \$5,000.

#### 17.6.0 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 Mutual President or Vice President and reported to the Board. For purposes of this rule, a non-budgeted fund balance expenditure is any use of the year's beginning fund balance other than budgeted expenditures from that balance.

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## 18.0.0 ENFORCEMENT OF RULES

The Board shall not enforce any Rule that has not been promulgated.

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

The Board shall not impose a fine except in accordance with the schedule of fines set forth in these Rules.

## 18.1.0 COLLECTION OF DELINQUENT PAYMENTS

Delinquent payments of Mutual 39 Assessments shall be collected in accordance with **Article 6, Section 6.9** of the Mutual's CC&Rs and R&R 45.0.

## 18.2.0 VIOLATION OF MUTUAL GOVERNING DOCUMENTS

For any violation of the Mutual's Governing Documents, the Board is authorized to impose a monetary penalty of \$100 for each violation, and for continuing violations, an additional penalty of \$100 for each day until the violation is corrected.

## 18.3.0 DUE PROCESS

No monetary penalty shall be imposed without first affording the Owner/Resident every opportunity for notice and hearing set forth in the Mutual's CC&Rs and in California Civil Code.

At least 15 days prior to the date when the Board is to meet to impose a monetary penalty against an Owner, the Board shall notify the Owner, by certified mail, of the penalty to be imposed and the reasons for the imposition of the penalty. The notice shall provide the date, time, and place of the hearing, the nature of the violation, and the Owner's right to be heard orally or in writing.

Within 15 days after the Board's decision to impose a monetary penalty, the Board shall notify the Owner of the decision by certified mail. The Owner may appeal the Board's decision by following the internal and alternative dispute resolution procedures set forth in **Article 12** of the Mutual's **CC&Rs**.

## 18.13 DISPOSITION OF COLLECTED PENALTIES

Funds collected by penalty shall be used first to offset any costs, including legal fees, for imposing the penalty, with the remainder, if any, payable to the Mutual's Operating Fund.

## 19.0.0 DISTRIBUTION OF WRITTEN MATERIALS

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

Type of Material	Walnut Creek Mutual Thirty-Nine	Golden Rain Foundation
Minutes of regular Board meetings	Directors and Officers	Chief Executive Officer Director MOD see 2)
Recap of regular Board meetings (Board actions and directives, when produced)	Directors and Officers	Director, Mutual Operations see 2)
Minutes of executive sessions	Directors and Officers	See 2)
Confidential correspondence documents or reports related to resident personal problems.	Directors and Officers	See 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 Mutual 39 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.



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### 22.0.1 SCOPE

Notwithstanding any other law or provision of the governing documents, elections regarding assessments legally requiring a vote, election and removal of members of the mutual board of directors by vote of the members of the Mutual 39, certain amendments to the governing documents, or the grant by vote of members of exclusive use of common area property pursuant to Civil Code Section 4600 shall be held by secret ballot in accordance with the procedures set forth below. Elections for other purposes may, at the discretion of the Board, be held at duly noticed meetings of the members or by mailed ballots pursuant to this section.

### 22.0.2 EQUAL ACCESS RULE

Candidates for office, and members advocating a point of view, shall have equal access to Mutual 39 media, newsletters, or Internet Web sites during a campaign, for purposes that are reasonably related to that election. Mutual 39 shall not edit or redact any content from these communications but may include a statement specifying that the candidate or member, and not Mutual 39, 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 Mutual membership meetings 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 more than 50% of the members is required to allow exclusive use of common property, and the approval for Mutual elections on certain special assessments, and for raising regular assessments more than 20%, is more than 50% of the members of the Mutual. 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.

### 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 these Election and Voting Rules.

### 22.0.5 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.

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### 22.1.1 SELECTION OF INSPECTOR(S) OF ELECTIONS

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 mutual 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 mutual 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, the Civil Code and all applicable rules of the mutual 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 mutual to every membership not less than 30 days prior to the deadline for voting. In order to preserve confidentiality, a voter may not be identified by name, address, or lot, parcel, or unit number on the ballot. The ballot itself is not signed by the voter but is inserted into an envelope that is sealed. This envelope is inserted into a second envelope that is sealed. In the upper left-hand corner of the second envelope, the voter shall sign his or her name in the space provided below the unit file number. The second envelope is addressed to the Inspector(s) of Election, who will be tallying the votes. The envelope shall be mailed to a location specified by the Inspector(s) of Election. The member may request a receipt for delivery. Once a secret ballot is received by the Inspector(s) of Election, it shall be irrevocable.

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## 22.2.2 CUSTODY OF BALLOTS

The Inspector(s) of Elections 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 Mutual 39 address and if applicable their mailing address [member's 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 Mutual 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 a challenge to the election, the Inspector of Elections 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 entitled to vote, announced in the ballot solicitation. Any candidate or other member of the mutual 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 mutual 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 mutual. Within 15 days after the election, the board shall publicize the tabulated results of the election in a communication directed to all members.

## 22.2.4 VALIDITY OF BALLOTS

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

## 22.3.0 CANDIDATE QUALIFICATIONS, NOMINATIONS AND DISQUALIFICATION

- 1) All candidates for the Board of Directors must be members of the 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 Mutual's Governing Documents, including but not limited to Operating Rules and Regulations ("Rules"), Declaration of Covenants, Conditions or 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

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person named as a candidate and including their address and telephone number to the Board of Directors or the Managing Agent for the Mutual. Nomination shall begin at least three (3) months and seven (7) days prior to the closing of the poll for the Election. The due date for 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 Mutual shall disqualify a person from a nomination as a candidate for not being 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 Mutual may also disqualify a candidate for the following reasons:
  - a) If another person who holds joint ownership in the same separate interest unit 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 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 Mutual's governing documents.

#### 22.4.0 ELECTION AND APPOINTMENT OF OFFICERS OF THE CORPORATION

The initial election of the required officers of the Mutual and appointment of additional officers of the Mutual takes place at the organizational meeting of the new Board following the meeting of members of the Mutual. The new Board shall appoint an Inspector or Inspectors of Election for the purposes of this meeting.

##### 22.4.1 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 Mutual. 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.

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#### 22.4.2 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.

- 1) Usually, governing documents called "rules" (Rules and Regulations) may be amended by the Board without a mail ballot vote, provided the members have an opportunity to comment on proposed changes before the changes are finally adopted by the Board. However, a rule change shall be put to a secret ballot vote if (1) such a vote is required by the rule itself or by any other governing document, or (2) the proposed rule change would establish a new requirement for voting by secret ballot or delete a current requirement for voting by secret ballot.
- 2) If there is a recount or other challenge to the election process, the Inspector(s) of Election shall, upon written request, make the ballots available for inspection and review by a mutual member or his or her authorized representative. Any recount shall be conducted in a manner that preserves the confidentiality of the vote.

#### 22.5.0 NOTICE/TIMING REQUIREMENTS

The Mutual shall comply with the following Notice/Timing requirements:

- 1) At least 30 days before the annual election of directors, the Mutual's Rules and Regulations 22.0.0 (and sequence) "Elections and Voting" must be transmitted to the members. The Elections and Voting Rules and Regulations shall not be amended or otherwise modified within 90 days of any election or vote;
- 2) At least 30 days before the Polls are closed, ballots shall be mailed to the membership;
- 3) At least 60 days before the Polls are closed, General Notice of the Meeting to Count and Tabulate ballots shall be provided to the membership containing the following information:
  - a) A list of the candidates who will be placed on the ballots;
  - b) Address where ballots may be delivered or mailed to the Inspector of Elections; and,
  - c) Date, time and location of the meeting to count ballots.
- 4) The deadline for members to submit written nominations for board positions shall be seven (7) days before the last day the Notice of Meeting provided to the membership; and,
- 5) At least 30 days before the member deadline for submitting written nominations for board positions, the Mutual shall provide general notice to the membership of the procedure for submitting written nominations. This notice shall also set forth the deadline date for submitting written nominations.

## 23.0.0 RECORD RETENTION

Mutual 39 corporate records shall be retained only so long as: (1) they are necessary for the conduct of the Mutual'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.

<b>Document Category</b>	<b>Retention Period</b>
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.



## 24.0.0 REQUIREMENTS FOR INSURANCE COVERAGE

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

### 24.1.0 Liability and Fidelity Insurance.

The Mutual shall obtain and maintain the following liability policies:

#### 24.1.1 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 Rules, including, but not limited to, work performed in the Common Area. The policy shall include, if obtainable, cross liability or severability of interest coverage. The limits of such insurance (including the commercial general liability and any excess liability coverage) shall not be less than the general liability insurance requirements set forth in Civil Code section 1365.9 or any successor statute thereto covering all claims for bodily injury and property damage arising out of a single occurrence. The coverage may be a combination of primary and excess policies. The insurance shall be provided with coverage terms provided by Insurance Services Offices (ISO) form CG 0001, or equivalent or better coverage. Such insurance shall include coverage against liability for owned, non- owned and hired automobiles and other liability or risk customarily covered with respect to projects similar in construction, location and use. The policy shall be primary and noncontributing with any other liability policy covering the same liability.

#### 24.1.2 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.

#### 24.1.3 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.

## 24.0.0 REQUIREMENTS FOR INSURANCE COVERAGE

### 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; windows; fences; monuments; lighting fixtures situated outside the Units; exterior signs; and personal property owned or maintained by the Mutual; but excluding land; excavations; and other items typically excluded from property insurance coverage.
- (ii) *Units.* Permanently affixed Improvements situated within the Unit, including interior walls and doors; ceiling, floor and wall surface materials (e.g., paint, wallpaper, carpets and hardwood floors); utility fixtures (including gas, electrical and plumbing); cabinets; built-in appliances; heating and air-conditioning systems; water heaters and any replacements thereto; but excluding any personal property located in the Unit. If the Unit Owner renovates, upgrades or replaces any permanently affixed improvement within the Unit or adds new Improvements to the Unit (collectively, the "Alterations") and the replacement cost of the Alterations exceeds the cost of the improvements prior to the Alterations, the Unit Owner shall be responsible for procuring and maintaining insurance to cover the excess unless the Owner has obtained written approval from the Mutual to make the Alterations and, to the extent required, approval from governmental authorities.
- (iii) *Landscaping.* Lawn, trees, shrubs and plants located in the Common Area.

#### 24.2.2 Covered Cause of Loss

The Mutual's policy shall provide coverage against losses caused by fire and risks of direct physical loss, as insured under the ISO "Causes of Loss - Special Form (CP 1030)" or its 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.



## 24.0.0 REQUIREMENTS FOR INSURANCE COVERAGE

### 24.2.3 Dollar Limit

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

### 24.2.4 Primary

The Mutual's policy shall be primary and noncontributing with any other insurance policy covering the same loss provided, however, that where an Owner's individual insurance policy (discussed in Section 24.2.6 below) provides 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 Purchasers, Residents, and agents, invitees, family members, guests and pets of any of the foregoing; or (ii) where damage to Common Area and/or Unit Improvements is caused by the failure of some portion of the Unit or Common Area which the Owner is responsible for maintaining. In cases where fault cannot be determined, the Mutual shall pay the deductible.

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

## 24.0.0 REQUIREMENTS FOR INSURANCE COVERAGE

### 24.3.0 FNMA, FHLMC, and FHA Requirements

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

### 24.4.0 Insurance Rating and Cancellation

The insurance company providing the Mutual's insurance under Sections 24.1.1 and 24.1.2 shall have an A.M. Best rating of not less than A:VII if licensed to do business in the 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 Mutuels in a group policy or policies procured and maintained by GRF as long as the group policy or policies provide equivalent or better coverage than the applicable 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 interests 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.\_

## 24.0.0 REQUIREMENTS FOR INSURANCE COVERAGE

Each Owner irrevocably appoints the Mutual, as that Owner's attorney-in-fact for purposes 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 thereto 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 shall procure and maintain property insurance against losses to personal property located within the Owner's Unit and 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 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.

November 22, 2018

## 40.0.0 OCCUPANCY OF A MANOR

### 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 Mutual 39 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 Mutual 39 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 Mutual 39 and Golden Rain Foundation to the designated occupant.

#### 40.0.0 OCCUPANCY OF A MANOR

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 Mutual Agreements Establishing Covenants, Conditions and Restrictions; by Golden Rain Foundation bylaws; and by Mutual 39 bylaws. Refer to Appendix A for a summary of these additional regulations.

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## 41.0 RENTAL/LEASING OF UNITS

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, Mutual 39 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.

### 41.1 RENTAL/LEASE RULES AND REGULATIONS

The following pertain to both the standard home rental for a monetary fee as well as for vacation home exchanges.

- 1) Each lease must be written on the Mutual 39 Lease Agreement form and approved in writing by the Mutual Board.
- 2) Owners may request approval of a rental/lease agreement one year after taking title to their unit. Exceptions may be made by the Board for extenuating circumstances.
- 3) No more than 25% of the Mutual units may be rented at any time.
- 4) The minimum rental/lease period is 30 days (1 month).
- 5) The maximum rental/lease period is 12 months. An Owner may request approval of a new lease agreement, provided it does not exceed the 25% rental limit.
- 6) Tenants will meet all Mutual occupancy requirements.
- 7) Tenants will be required to adhere to all Mutual Governing Documents during their occupancy.
- 8) Unauthorized Rentals/Leases, including extensions of lease periods without approval, may subject the Owner to monetary penalties; see 18.0.0 Enforcement of Rules.

### 41.2 RENTAL/LEASE APPROVAL PROCESS

1. Any owner wishing to rent/lease their property must contact the Mutuels' Office to verify that the current rental/leases are less than the 25% limit.
2. Owners may obtain Mutual 39's Lease Packet from the Member Records Department at Gateway which includes all the required forms for renting / leasing.
3. The Owner and the prospective tenant must complete the required forms and

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information and return the packet to Member Records, together with payment for the Lease Processing Fee and the GRF Facility Usage Fee.

4. The Mutual will evaluate the proposed lease for compliance with all applicable Governing Documents and Rules and recommend action to the Board.
5. All leases must be approved by the Mutual Board or its designee. Any issues or concerns regarding the lease may be referred to the Board for further discussion and consideration.
6. The Board's action will be entered on the Lease Approval form signed by the Board and by Golden Rain Foundation.
7. Member Records completes processing the approved rental/lease, notifies the Owner of approval, and provides documentation and notification for Rossmoor services as needed.

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

- 1) If an Owner requests approval for a rental and the maximum number of units 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.
- 2) When a lease expires and the number of rentals is less than the 25% limit, the next Owner in line will be notified by the Mutual and offered the option to submit a rental/lease application.

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#### 42.1.0 CARPORT AND GARAGE SPACES

Carport and Garage spaces are intended for the Owners/Residents to park their vehicles and golf carts.

#### 42.2.0 USE OF CARPORTS

- (1) The owner of a carport is responsible for ensuring that nothing is kept or stored in the carport except a vehicle (or vehicles).
- (2) Tandem parking of vehicles in carports is allowed only if the vehicle does not extend outside the physical dimensions of the carport.
- (3) No flammable material may be stored in a carport area. Storage cabinets and closets may not include any liquid flammable material.
- (4) Wheel bumpers in carports are installed by the Mutual to protect the carport structure and shall not be removed by Owners/Residents. If an Owner removes the wheel bumper, it will be reinstalled by MOD and the Owner is responsible for the costs of reinstallation.

#### 42.3.0 NON-VEHICULAR 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 to the Owner.

#### 42.4.0 STORAGE OF PROPERTY IN GARAGES

- (1) Garage spaces shall be maintained in a neat and orderly manner, free from any conditions that would create a fire or life hazard, or a condition that would add to or contribute to the rapid spread of fire.
- (2) Combustible waste material and rubbish shall be stored in approved containers as specified in California Fire Code. Excessive accumulation of combustible waste material and rubbish creates a fire hazard and is not allowed.
- (3) The storage of flammable liquids is prohibited except for solvents such as paint thinner or other volatile liquids smaller than one quart.



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#### 42.5.0 UPKEEP OF CARPORTS AND GARAGES

- (1) It is the responsibility of each Owner/Resident to keep their Carport/Garage in a clean, neat, and sanitary condition.
- (2) Drip pans may be used under vehicles. Vehicles leaking fluids must be repaired and the carport/garage floor cleaned.

#### 42.6.0 RESPONSIBILITY FOR DAMAGES

Owners/Residents are responsible for any and all damage they cause to Carport/Garage structures. MOD shall repair the damaged structure and bill the Owner/Resident for the costs.

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#### 43.1.0 OWNER/RESIDENT PARKING

Owners/residents shall utilize their Garage/Carport as the primary space for parking and storing their vehicles.

#### 43.2.0. PARKING ON NAMED STREETS (GRF TRUST PROPERTY)

Parking on named streets is subject to State and local laws, and rules established by the Golden Rain Foundation and is not controlled by Mutual 39.

#### 43.3.0 PARKING IN MUTUAL COMMON AREA

- 1) Only two-axle passenger vehicles of a type customarily used for personal transportation and golf carts are permitted to park in the Mutual Common Area. Trailers, campers, mobile homes, recreational vehicles, and trucks larger than standard size pickups are not permitted. However, commercial vehicles may be temporarily parked when a Unit's occupant moves in or out, and for deliveries, repairs and approved alterations. No commercial vehicles may be parked overnight.
- 2) The term "commercial vehicles" does not include two-axle personal vehicles or standard size pickup trucks which are for both business and personal uses, provided that any signs or markings of a commercial nature on such vehicles shall be unobstrusive and inoffensive as determined by the Board.
- 3) Mutual parking areas are intended for guests, visitors, and contactors/workers. Owners and Residents may not use these spaces to store their vehicles except as permitted under R&R 42. Any vehicle remaining parked in the same space not moving for more than seventy-two (72) hours in the Common Area is in violation of the Mutual's parking rules.
- 4) All vehicles parked in the Mutual's Common Area shall be operable and with current registration. No vehicles shall be repaired or rebuilt in the Common Area.
- 5) Any vehicle that presents a fire hazard or leaks oil shall be excluded from parking in Mutual Common Area upon written notice by the Mutual President until the deficiencies are corrected. The Mutual President may also encourage owners of visibly damaged or unsightly vehicles to park the vehicles only in carports or garages.

#### 43.4.0 PARKING IN ENTRY ROADS

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 marked parking spaces are available. GRF vehicles and contractors' vehicles may be parked at the roadside, but only during working hours.

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#### 43.5.0 EXTENDED PARKING

Vehicles parked continuously in Mutual Common Area for more than 7 consecutive days may be considered abandoned and subject to removal.

#### 43.6.0 VIOLATION OF PARKING RULES

Any violation of these parking rules by an Owner, their family member, lessee, visitor, guest, contractor, or agent, may be subject to a monetary penalty pursuant to R&R 18.

#### 43.7.0 AUTHORITY TO TOW

Any unauthorized vehicle or any vehicle parked in violation of the Mutual's Parking Rules may be towed to a storage facility in accordance with California Vehicle Code. The owner of the vehicle shall be responsible for all towing and storage costs.

<b>COMMERCIAL ACTIVITY RESTRICTIONS</b>	R & R No:	44.0
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#### 44.0.0 COMMERCIAL ACTIVITY RESTRICTIONS

Mutual 39 Covenants, Conditions, and Restrictions (CC&Rs) prohibit professional, commercial or industrial operations of any kind in any Unit or the Common Areas. When a Member 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 Unit, 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 Mutual's CC&Rs if the Board determines, after hearing, that a violation of the letter and the spirit of the Mutual'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.

#### 45.0.0 ASSESSMENTS DUE DATE, DELINQUENT PAYMENTS, AND REFERRAL FOR-COLLECTION

To pay all assessments on time, owners must be aware of payment procedures, and allow ample time for mailing or hand delivery of payments. Mutual 39 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 Mutual 39's managing agent to have payments automatically deducted from a bank account of the owner's or resident's choice.

##### 45.1.0 ASSESSMENTS INCLUDED

The assessments referred to in this rule include:

- A. The monthly carrying charge, as set forth in the Mutual 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 Mutual 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 Rules and Regulations.

##### 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. <sup>1)</sup>

Delinquent payments are subject to a late fee of 5% of the amount of the assessment.

<sup>2)</sup> The delinquent assessment, the late fee (plus interest at 10% annual percentage rate beginning 30 days after the due date of the assessment <sup>3)</sup>) and any other applicable charge <sup>4)</sup> will be billed each month, until the account balance is paid in full. It is a Mutual 39 rule 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.)

## 45.0.0 ASSESSMENTS DUE DATE, DELINQUENT PAYMENTS, AND REFERRAL FOR-COLLECTION

### 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 Mutual 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 Mutual CC&Rs the permitted late payment charge is 5% of the amount of the assessment. To reconcile these rules, the late payment charge is set at 5% of the delinquent assessment. The late fee may be waived if the owner arranges for direct payment of the coupon amount by a bank.
- 3) Civil Code §5650(b) allows interest to accrue beginning 30 days after the assessment due date. Civil Code §5650(b) also sets the maximum interest at 12%, giving an exemption for homeowners associations from the general usury limit of 10% in the California Constitution. However, inasmuch as Golden Rain Foundation is not an association subject to the Civil Code, the interest limit on Golden Rain's portion of the assessment appears to be limited to 10%. Furthermore, the Mutual 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.

## 47.0.0 EMERGENCIES - HEALTH AND PROPERTY

Help is available for residents in health and property emergencies. <sup>1)</sup> 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, 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.

<sup>1)</sup> 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 or web site for the telephone numbers).

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Owners/Residents shall refer to **Article 4 – Maintenance and Repair Obligations** of the Mutual's CC&Rs for the information regarding the maintenance responsibilities. In general, the Mutual is responsible for maintenance, repairs, and replacements of Common Area properties including, but not limited to, buildings, entryways, stairs, walkways, and landscaping. The owners are responsible for the interior of the Unit, their Exclusive Use Common Area and owner-initiated alterations to the Common Area.

**Attachment A** is intended to help the Owners/Residents identify the areas of responsibilities when maintenance issues arise.

#### 48.1.0 OWNER-RESPONSIBLE DAMAGES

Owners are responsible for the cost to repair any and all damages 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 CHARGES

The cost of the visits by MOD staff following a Work Order request to determine responsibility for the work, and routine overhead charges for actual work performed, shall be billed to the party responsible for the work, either the Mutual or the Owner.

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

Except for touch-up painting by owners and residents, and approved owner-initiated alterations, external repairs and maintenance shall be performed only by MOD staff or approved contractors, whether the costs are Mutual 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, the owner or resident shall be liable for all costs of the work, including costs of restoring or refinishing the work area as necessary.



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### Attachment A

Category	Mutual	Owner
<b>A/C and Heating Units, including tubing, ducts</b>		x
<b>Clothes Dryer Vent</b>		x
<b>Doors and Windows</b>		x
<b>Enclosed Balconies, Patios, Carports Structure</b>		
- Within 5 years of completion		x
- Beginning from the 6 <sup>th</sup> year	x	
<b>Electricals</b>		
- All wiring from individual meter up to the circuit breaker panel inside the Unit	x	
- Wiring from the panel to a junction box located in the walls, floors, and ceilings	x	
- Circuit breaker panel	x	
- All electrical receptacles		x
- All light fixtures within the Unit		x
- Light fixtures in Exclusive Use Common Area – front/back patio, balcony		x
<b>Exterior Paint</b>		
- Normal maintenance	x	
- Owner-initiated alteration		x
<b>Fireplaces/Flues/Spark Arrestors</b>		x
<b>Garages and Carports</b>		
- Garage and carport structures	x	
- Garage door and tracks	x	
- Garage door openers and parts, remotes, keypads		x
- Interior of garages and enclosed carports		x
- Original storage cabinets in adjacent carports	x	
<b>Landscaping</b>		
- Common Area	x	
- Owner-maintained garden		x

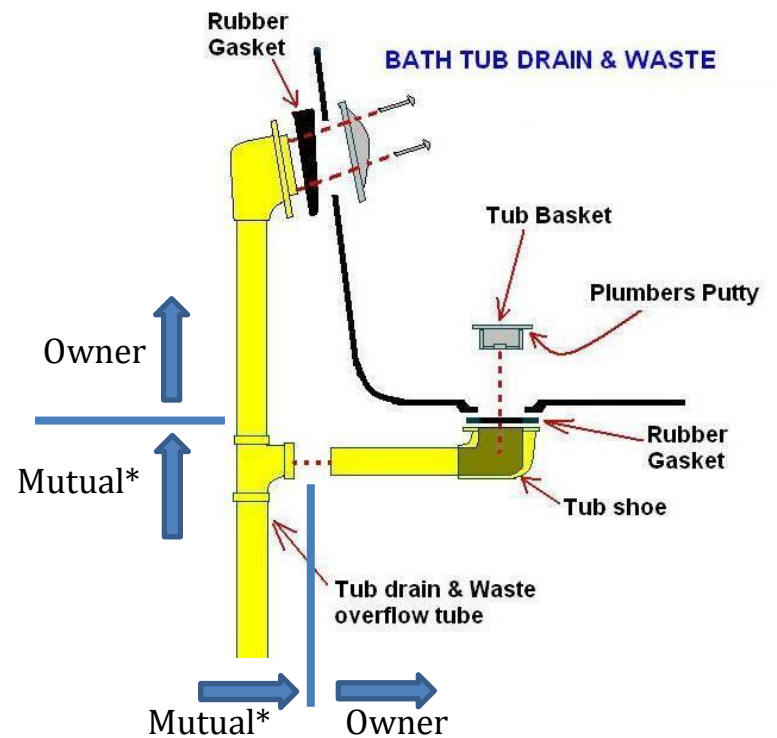
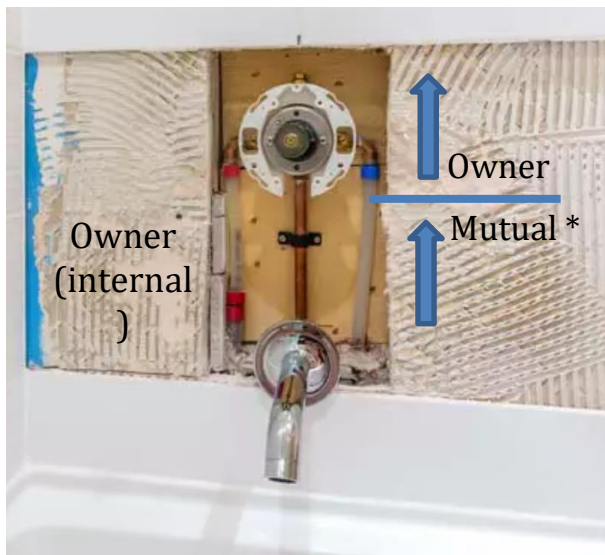
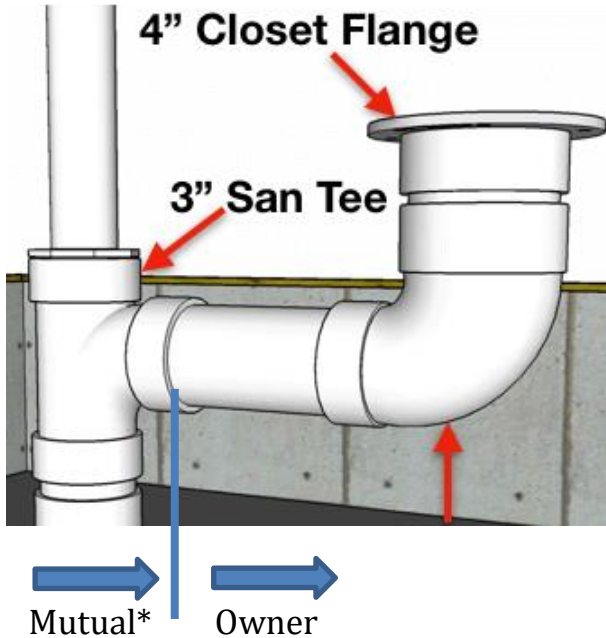
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**Attachment A**

<b>Category</b>	<b>Mutual</b>	<b>Owner</b>
<b>Plumbing</b>		
- Plumbing within the concrete slab and from the utility mains up to the first joint located within a Unit's structure, including, but not limited to, cold water supply lines, sewage pipes, and drainage lines for A/C units and water heaters (See Attachment B)	x	
- All subsequent plumbing and fixtures dedicated to an individual Unit, whether located within the Unit or the walls, ceilings, or floors of the Condominium, including hot water lines, except those located in the slab.		x
<b>Roofs, Gutters, Downspouts</b>	x	
<b>Smoke Detectors</b>		
- 10-year smoke alarms Mutual installed (3 alarms)	x	
- All additional smoke and carbon monoxide alarms		x
<b>Skylights/Solar Tubes</b>		x
<b>Telecommunications Wiring (internal and external cables for TV, internet, and phone)</b>		x
<b>Tree Trimming/Removal</b>		
- Normal maintenance	x	
- Owner requested		x
<b>Water Damage</b>		
- Damages caused by leaks originated from Owner-responsible pipes		x
- Damages caused by owner-initiated alteration – plumbing fixtures, windows, skylights, solar tubes, solar panels, etc.		x
- Damages caused by problems originated in Mutual-responsible plumbing and are outside the Owners control	x	

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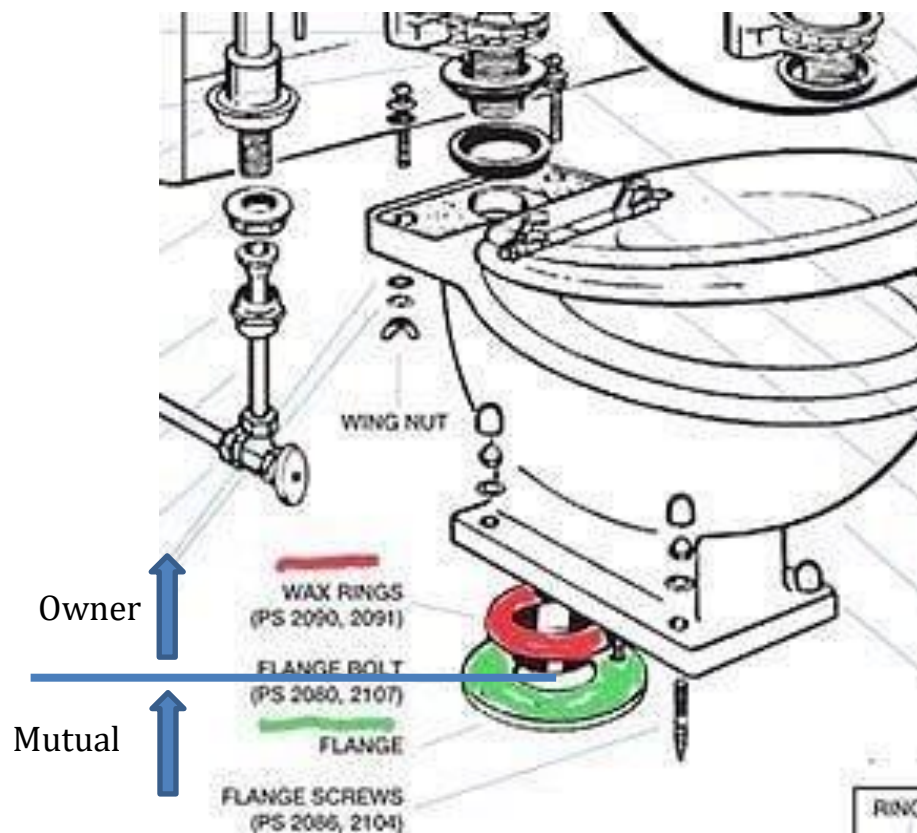
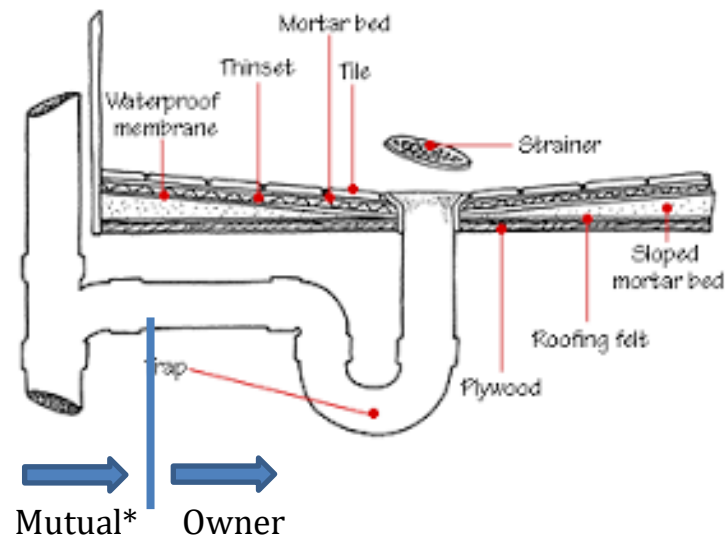
## Attachment B



**\* If directly from Mains, otherwise Owner's Responsibility**

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## Attachment B



**\* If directly from Mains, otherwise Owner's Responsibility**

## 49.0.0 INSPECTIONS

Mutual 39 has general authority to conduct inspections in order to manage, operate, and maintain the properties. Also, pursuant to Article III of the CC&Rs, Mutual 39 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 rules.

### 49.1.0 RESERVE STUDY INSPECTIONS

Mutual 39 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, Mutual 39 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 Mutual 39 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, Mutual 39 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 Walnut Creek Mutual Thirty-Nine.

### 49.3.0 ADDITIONAL INSPECTIONS

Mutual 39 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.

## 50.0.0 INSURED AND UNINSURED LOSSES

### 50.1.0 Insurance coverage Under GRF's Master Policy

As described in Rule 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 Mutual 39 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 Rule 50.0.0 is in conflict with provisions in Rule 24.0.0 the latter rule controls.

The real property covered by the Master Policy includes:

50.1.1 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.

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

50.1.3 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 Mutual 39 Alteration Review Committee and (if required) the City of Walnut Creek have not approved the alteration.



## 50.0.0 INSURED AND UNINSURED LOSSES

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### 50.2.0 Paying for Losses

#### 50.2.1 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.

#### 50.2.2 Damage to Real Property within Mutual 39

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

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

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

## 50.0.0 INSURED AND UNINSURED LOSSES

### 50.2.3 Damage to Personal Property within the Third Mutual

When there is damage to an owner's personal property caused by a defect in a building structure (i.e. water entering through a leaky roof or a crack in the floor slab) the Mutual will share costs with the Owner according to insurance industry standards. The Mutual 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 Mutual will share the cost of replacing the covering on that wall but not adjacent walls in the same room or elsewhere in the manor.

### 50.3.0 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.



<b>ALTERATIONS - OWNER-INITIATED – GENERAL</b>	R & R No:	51.0
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#### 51.1.0 ALTERATION APPROVALS REQUIRED

Owner-initiated alterations to a condominium property in Mutual 39 may require approval in advance by the Board and the City of Walnut Creek. Owners shall refer to section 51.5.0 for the Board approval procedures.

#### 51.2.0 ALTERATIONS WITHIN THE BOUNDARIES OF A UNIT

Except for cosmetic changes, alterations to the interior of an Owner's Unit shall not take place without the prior written approval of the Mutual Board or GRF/Mutual Operations Department (MOD), and the City of Walnut Creek if required. Owners are advised to check with MOD to determine if an alteration is cosmetic.

#### 51.3.0 CONSTRUCTION IN EXCLUSIVE USE COMMON AREAS

No alterations to an Exclusive Use Common Area shall take place without the prior written approval of the Board. Schematic diagrams or sketches may be adequate for simple jobs, but for complex jobs such as enclosing a porch or balcony to provide additional living space, 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 shall review the design at the Owner's cost to ensure that the waterproofing details and quality of design and materials are adequate to protect the structure from potential damage. City of Walnut Creek permits are required to make certain the design meets all applicable building codes.

#### 51.4.0 CONSTRUCTION IN COMMON AREAS

Owners shall obtain written authorization from the Board before undertaking construction, alteration, or permanent installation of structures and equipment in the Common Area, including, but not limited to, chairlifts, air conditioning/heating systems, patios, decks, fences, sidewalks, private gardens, walkways, and concrete slabs. Owners shall also obtain written authorization from the Board before installation of solar panels, solar tubes, and skylights on the Common Area roof.

#### 51.5.0 PERMIT APPROVAL PROCESS

##### 51.5.1 OWNER'S APPLICATION

The Owner submits an application to MOD's Alteration and Resale Department, and MOD advises the applicant about needs for supporting documentation.

##### 51.5.2 MOD STAFF REVIEW AND APPROVAL

MOD shall review all alteration applications and ensure that all supporting documents are submitted before forwarding them to the Board for approval if required. For standard alterations, MOD may approve the Owner's applications without the Board's review.

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For the purpose of this section, standard alterations include alterations to the interior of a Unit; windows and sliding doors; front doors; and air conditioning/heating units compliant with Mutual Standards.

#### 51.5.3 BOARD REVIEW AND APPROVAL

The Alterations committee of the Board shall review all non-standard alteration applications. The committee is empowered to approve applications on behalf of the Board but shall obtain the Board's permission to disapprove an application. If the Board agrees to a proposed disapproval, the Secretary shall explain the reason for the disapproval in writing to the applicant.

#### 51.5.4 NEIGHBORS' ACCEPTANCE

Unless otherwise stated in the Rules and Regulations addressing a specific type of alteration, neighbor acceptance is generally not required. If affected neighbors disagree with a proposed alteration to the Common Area, they may submit written comments to the Board. The Board may impose reasonable restrictions as a condition of a permit but may not deny a permit solely based on the neighbor's objections.

If neighbor notification is required for a specific type of alteration, the Owner shall refer to the notification procedures set forth in Mutual's Rules and Regulations governing that particular alteration.

#### 51.5.5 CITY OF WALNUT CREEK PERMITS

If an alteration requires a building permit from the City of Walnut Creek, the Owner is responsible for obtaining the permit and paying the City's fees.

#### 51.5.6 MOD PERMITS

After all of the foregoing requirements have been met, and the Owner has paid applicable permit fees, MOD shall issue the permit. If additional conditions are imposed by the Board, the permit shall specify those conditions.

#### 51.5.7 CHANGES

If the Owner makes a change to the proposed alteration, the change shall be brought to the attention of MOD for review and approval. If a change is proposed after the permit is issued, it shall be treated as a new application and subject to the full approval process.

#### 51.5.8 DISTRIBUTION OF ALTERATION PERMITS

MOD shall provide a copy of the alteration permit to the Owner of the altered property. The Owner shall disclose the permit to any potential buyer of the altered property.

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#### 51.5.9 PROCESSING TIME FOR ALTERATION PERMIT APPLICATIONS

Mutual 39 and MOD shall act expeditiously in reviewing and approval of Owners' alteration applications. Additional time may be necessary for non-standard alterations, and incomplete applications, and if additional documents are required.

Pursuant to Mutual 39 CC&Rs, approval of an application is deemed granted if the Board or MOD fails to act within 60 days after receipt of a completed application.

#### 51.5.10 COMPLETION OF WORK

The Owner shall commence the work as soon as reasonably practicable and shall complete the work within the timeframe specified in the permit, including the final inspection by MOD. The Owner may request an extension and pay the appropriate fee according to MOD's fee schedule. If no extension is granted, the original approval shall automatically be deemed revoked and no further work shall be done without obtaining a new written approval from the Board.

#### 51.6.0 RESPONSIBILITY FOR MAINTENANCE OF ALTERATIONS

As a general rule, Owners are responsible for maintaining alterations and for the repair and replacement costs of the alteration. Owners are also responsible for any impact of an alteration on the Common Area. Exceptions may be specified in the alteration permit or Mutual 39 governing documents. Where maintenance of the Common Area requires the removal of an approved alteration, the alteration shall be removed and restored at the owner's expense.

#### 51.7.0 UNAUTHORIZED ALTERATIONS

- 1) If an Owner makes an alteration without obtaining the necessary permits, the alteration may be permitted to remain in place if
  - i) the alteration would have been allowed had a permit been obtained at the time the alteration was made; and
  - ii) the Owner obtains the proper permits and pays the applicable fees, based on the current fee schedule and penalties according to RR18.0.

If the alteration would not have been authorized in any case, the Owner shall restore the Unit to its original condition at the Owner's expense.

- 2) If an unauthorized alteration was made prior to the present Owner purchasing the Unit and before October 1, 2002, when Mutual 39 did not require resale inspections, the present Owner shall obtain a specific authorization of the Board before the alteration is allowed to remain in place and an entry is made in the Unit's alteration records.

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#### 51.7.1 PERMIT APPLICATIONS FOR EXISTING UNAUTHORIZED ALTERATIONS

##### 1) NOTICE TO OWNER

Promptly upon determining that an existing alteration is unauthorized, MOD or the Board shall notify the Owner and specify the actions the Owner must take to correct the record. The Owner shall be informed that the remedy for the unauthorized alteration may be the removal of, or change in, the alteration. In no event shall the owner be advised to obtain a City of Walnut Creek permit for an unauthorized alteration until the necessary remedy is determined and conveyed to the Owner.

##### 2) PERMIT PROCEDURE

If MOD determines that a permit is required, the Owner shall apply for an alteration permit following **51.5.0** Permit Approval Process stated above.

<b>BALCONIES, PORCHES, AND ENTRY WALKWAYS OWNER-INITIATED ALTERATIONS</b>	R & R No:	53.0
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## 53.0.0 OWNER-INITIATED ALTERATIONS – BALCONIES, PORCHES, AND ENTRY WALKWAYS

### 53.1.0 ENCLOSURES

Owners who wish to enclose a porch or balcony of their Unit shall follow the instructions set forth in Section 51.3.0 *“Construction in Exclusive Use Common Areas”* of R&R 51.0.

If an Owner applies for approval of an alteration permit to enclose an area beneath an open balcony, the Board may require consent and/or waivers by all affected owners. The Mutual shall also inspect the balcony above and may require, as a condition of approval, waterproofing of the balcony above at the expense of the applicant.

### 53.2.0 BALCONY AND ENTRY WALKWAY FLOOR COVERINGS

#### 53.2.1 BALCONY

An Owner who wishes to install or replace a floor covering on an open balcony shall obtain approval of the Board before work is begun. Installations of coverings (such as carpets and ceramic tile) will be approved only if the proposed floor coverings:

- 1) incorporate an architect-approved "waterproof membrane";
- 2) are installed according to architect-approved procedures by installers certified by the covering manufacturer; and
- 3) are applied with architect-approved adhesives.

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

#### 53.2.2 ENTRY WALKWAY

An Owner who wishes to install or replace a floor covering over a walkway at the entryway to a Unit, or over an elevated walkway or landing shall obtain written approval by other Owners who use the same walkway, entryway, or landing. The owner shall also obtain approval of the Board before work is begun. Such coverings shall be of architect-approved construction using architect-approved adhesives, to avoid damage when the coverings are removed.

### 53.3.0 HOSE BIBS

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 shall 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 shall be removed at the seller's expense when the Unit is resold.

<b>CHAIRLIFTS</b>	R & R No:	55.0
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#### 55.0 CHAIRLIFTS:

- 1) All chairlift installations require an approved alteration permit.
- 2) The owner must provide a minimum twenty-two-inch (22-inch) clear passage on the stairway when the seat and platform are in the stored position.
- 3) Once installed, all electrical conduit and junction boxes must be painted to match the coloring of the staircase. Deck penetrations should be minimized. All penetrations of Mutual property must be properly sealed and maintained to avoid moisture intrusion into the deck and siding. The color of the chairlift should match the predominant coloring of the building as much as possible.
- 4) The Owner is responsible for the liability, care, and maintenance of the chairlift and associated components.
- 5) Upon sale of the Unit, if the Buyer does not wish to retain the chairlift the Owner shall remove the chairlift and all associated wiring, patch all penetrations, and paint the applicable surfaces to return the staircase to the original condition.

GARDENS - OWNER MAINTAINED - OWNER-INITIATED ALTERATIONS	R & R No:	56.0
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Owner Maintained Gardens are not encouraged, but they are permitted so long as they meet certain criteria. Owner Maintained Gardens require Mutual approval (See Permit Procedure below).

#### 56.1.0 RESTRICTIONS

Owner Maintained Gardens are subject to the following restrictions:

- a) Plants must not disturb sidewalks or building foundations.
- b) Plants may not be attached to a building.
- c) Plants may not obscure the view of another resident.
- d) Trees are not allowed, except those existing and replacement trees planted by Mutual Landscape Committee.
- e) Plants over two feet tall are not allowed within three feet of a building.
- f) Soil must be kept at least two inches below any siding.

The garden must blend with and be compatible with the existing commercial landscaping, may not *materially*<sup>1)</sup> extend the landscaped area or modify the irrigation, and must not contain *excessive*<sup>1)</sup> statuary or other non-plant items.

<sup>1)</sup> *The Landscape Committee will interpret the italicized terms.*

#### 56.1.1 FENCES /TRELLISES

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. Trellises are not allowed.

#### 56.1.2 WALKWAYS

- a) Walkways require an Alteration Permit.
- b) Steppingstones are not allowed.

#### 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 Mutual is not responsible for plant loss due to irrigation problems. The Mutual and their Contractors will try not to damage plantings but are not responsible should damage occur.

Owner maintained shrubs may be pruned by the Mutual at the owner's expense if the owner does not prune them within 15 days after pruning is requested by the Mutual. Corrections required due to owner modifications of the landscaping or irrigation are owner billable.

#### 56.3.0 PERMIT REVOCATION

Owner Maintained Garden Permits may be revoked for violation of the restrictions in 56.1.0, or improper maintenance.

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### 56.3.1 NOTICE OF NONCOMPLIANCE

If, after a complaint is made by another resident or the Landscape Supervisor, the Board determines that the complaint is valid, the Board shall notify the owner in writing that the noncompliance must be corrected within 15 days at the owner's expense. The owner shall also be advised that if the required corrections are not made within 15 days, unless the owner files an appeal within that period, the garden permit will be revoked.

### 56.3.2 RESTORE GARDEN AT OWNER'S EXPENSE

Upon revocation of the permit, the owner is required to restore, at the owner's expense, the garden area to landscaping acceptable for Mutual maintenance. If this restoration is not completed by the owner in 30 days, the Board shall instruct the MOD to restore the garden and bill the owner.

### 56.3.3 OWNER'S RIGHT TO APPEAL

The owner may, at any point within the above stated time frames, appeal these decisions by writing the President asking for a Board review.

### 56.4.0 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 Mutual maintenance. If this is not done before closing, funds will be put in escrow to cover the restoration expense.

### 56.5.0 PERMIT PROCEDURE

Owners should complete an Owner Maintained Garden Permit Application and submit it to MOD Alterations Dept. which will be forwarded to the Landscape Committee and the Board President for review and approval.



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WALNUT CREEK MUTUAL THIRTY-NINE (Mutual 39)  
APPLICATION—OWNER MAINTAINED GARDEN PERMIT

Please attach a sketch and description of the proposed garden. Show the location of the garden relative to your building,

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

Address \_\_\_\_\_ Entry # \_\_\_\_\_

I have read and fully understand Owner Maintained Garden Rule 56.0. If granted an Owner Maintained Garden Permit, I will abide by its terms and conditions.

Owner Signature \_\_\_\_\_ Date \_\_\_\_\_

Approvals:

Landscape Committee \_\_\_\_\_ Date \_\_\_\_\_

Mutual 39 President

\_\_\_\_\_  
Signature Date

<b>SPAS - OWNER-INITIATED ALTERATIONS</b>	R & R No:	57.0
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#### 57.0.0 OWNER-INITIATED ALTERATIONS SPAS

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

- 1) The prospective spa owner must obtain written approval from owners of neighboring units that might be impacted by the sight, sound, or odor of the spa operation.
- 2) A licensed engineer approves the installation.
- 3) The spa will be removed when the owner vacates or sells the condominium, unless at that time the owner reaffirms the neighbors' written approval.
- 4) The spa will not be used from 10:00 p.m. through 8:00 a.m.
- 5) People using the spa must consider the feelings of the neighbors about excessive noise. Mutual 39 reserves the right to further limit operation hours or revoke its approval for a spa if necessary, to resolve complaints about excessive noise.

## 58.0.0 OWNER-INITIATED ALTERATIONS WALKWAYS

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 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 Mutual President.

### 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 1/4" above adjacent surfaces.

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

HARD SURFACE FLOORING - OWNER-INITIATED ALTERATIONS	R & R No:	59.0
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## **59.0.0 HARD SURFACE FLOORING - OWNER-INITIATED ALTERATIONS**

These regulations will extend the detail found in Mutual 39 CC&R's provisions on Floor Coverings. It provides requirements for replacement only of the original type of flooring, as well as those for the installation of a new type of flooring material. It specifically describes the allowable uses of Hard Surface Flooring (HSF) in lower and upper units. HSF materials include linoleum, vinyl, ceramic tile, and hardwood flooring.

### **59.1.0 GENERAL**

- 1) No change in the type of floor covering materials originally installed in the Units shall be permitted without the Mutual's approval.
- 2) Alteration permits for like-for-like replacement of flooring materials are not required. This includes the replacement of existing carpeting, as well as allowable HSF in specified areas in upper units.
- 3) First Floor/Lower Units may replace original flooring type with HSF materials. An Alteration permit is required.

### **59.2.0 SECOND FLOOR/UPPER UNITS:**

- 1) HSF materials may be used in only 4 areas: front entry, kitchen, bathrooms, laundry/utilities.
- 2) All other floor areas shall be covered with carpet and padding or other material that provides equivalent insulation against sound transmission to the Unit below. If other than carpet is requested, approval by a majority of the full Board is required. The lower Unit Owner(s) must be notified before submitting an Alteration application.

<b>BALCONIES, PATIOS, AND ROOFS - RESTRICTIONS ON USES</b>	R & R No:	60.0
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## **60.0.0 BALCONIES, PATIOS, AND ROOFS - RESTRICTIONS ON USES**

Restrictions on the uses of balconies, patios, and roofs are intended to preserve appearances, prevent damage, and ensure safe conditions. See also CC&Rs 4.2 and 4.5(c).

### **60.1.0 USE OF ELECTRICAL APPLIANCES**

Large electrical appliances, including but not limited to washers, dryers, stoves, refrigerators, and freezers shall not be placed on open balconies or patios.

### **60.2.0 CROWDING BALCONIES/PATIOS/STAIRWAYS**

There must be a clear passageway of at least three feet on all balconies, patios, and stairways. No objects should be placed where they will interfere with passage across balconies/ patios/ stairways or impede access to handrails.

### **60.3.0 OVERWATERING PLANTS ON BALCONIES**

All plant containers on balconies must be placed in saucers. Overwatering is to be avoided to prevent continual wetting of the balcony and runoff to patios below. To the extent that overwatering promotes dry rot, the Owner may be held liable for repairs.

### **60.5.0 COMMON AREA WALKWAY**

The foregoing rules apply also to Common Area open walkways, such as the flat surface between the top of the stairs and the front door.

### **60.6.0 RESTRICTIONS ON USE OF ROOFS**

To prevent damage to roofs, no objects or personal property of any kind shall be placed upon the roof of any Condominium, Garage, or Carport. Solar energy systems, Skylights, and solar tubes are permitted when they are installed under Mutual 39 approved alteration permits.

<b>SOLAR ENERGY SYSTEMS - OWNER-INITIATED ALTERATIONS</b>	R & R No:	61.0
	Revision:	2019-02-26
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## 61.0.0 OWNER-INITIATED ALTERATIONS SOLAR ENERGY SYSTEMS

Solar Energy Systems (as defined in Section 61.0.1 below) may only be installed by owners of a unit in Mutual 39 on the roof top of the condominium building in which the unit is located or adjacent carport or garage roof. No other Common Areas in Mutual 39 may be used for Solar Energy Systems by individual unit owners.

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

### 61.0.1 DEFINITIONS

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

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

### 61.0.2 AVAILABILITY OF COMMON AREA SPACE

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

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

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

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## 61.2.0 APPLICATION AND APPROVAL PROCESS

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

- (A) Indemnification and Maintenance Agreement. As a condition of approval of installation of any Solar Energy System within the Common Area, the applicant shall execute a separate "Maintenance and Indemnity Agreement" acknowledging that he or she has read and understands this Rule and representing that the proposed Solar Energy System, its installation and maintenance shall comply fully with this Rule, and further agreeing to indemnify and hold harmless the Mutual, Golden Rain Foundation of Walnut Creek and their respective officers, directors, employees and members from and against any and all claims, allegations, litigation, arbitration or judgments resulting in whole or in part from the installation, maintenance or removal of the Solar Energy System, substantially in the form attached to this Rule (EXHIBIT A).
- (B) Notification to Neighbors. As required by Civil Code 714.1, Sec. 4746, the Owner/Applicant shall notify each owner of a Unit in the building on which the installation will be located (i.e., those under the same common roof) and the Owner/Applicant shall certify in the application the names and addresses of those notified and the date of the notification. This will be done by the attached form to this Rule (EXHIBIT D) or copies of certified return letter receipts from the Post Office.
- (C) Mutual President's Review. The application will be prepared with the assistance of the MOD Alterations Department and then submitted to the Mutual President for preliminary review. The Director may suggest reasonable restrictions on the installation but may not disapprove the installation.
- (D) Proof of \$1 Million Liability Insurance Policy. The Applicant will include proof of having a homeowner liability insurance policy providing \$1 million in coverage which includes the Mutual 39 named as additionally insured under the Applicant's homeowner liability insurance policy providing \$1 million in coverage with a right of notice of cancellation. The Applicant must renew this liability insurance annually and provide evidence of annual renewal to MOD.
- (E) Permit Review and Approval. The Mutual Alteration Permit Review Committee shall review the application for installation of a Solar Energy System to determine whether or not all of the items required on the Solar Installation Checklist Addendum (EXHIBIT B) have been included and may offer recommendations, if any, for additional reasonable restrictions within limits prescribed in Civil Code Section 714. However, no application for

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installation of a Solar Energy System may be approved or denied by the Permit Review Committee; the Board alone has the authority to approve such applications.

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

### 61.3.0 GENERAL INSTALLATION REQUIREMENTS

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

- (A) All installations of Solar Energy Systems shall be completed so as not to materially harm or damage common elements of the Mutual, or any other individual Unit or Exclusive Use Common Area, void any warranties held by the Mutual or other owners and/or impair the integrity of a building or structure. The applicant will be responsible for learning the status of the roof warranty from MOD and responsible for following MOD instructions to protect the warranty.
- (B) All portions of a Solar Energy System shall be secured in a manner which does not jeopardize the safety or soundness of any structure and/or the safety of any person within the Mutual. All solar energy systems shall have non-glare panels installed flush to the roof.
- (C) There shall be no penetrations into building structures, not limited to walls and roofs, unless it is absolutely necessary for the installation and operation of the system and/or to avoid an unreasonable increase in the cost of the installation. Any penetrations for wiring or piping for a Solar Energy System shall be properly sealed and waterproofed in accordance with industry standards and building codes in order to prevent moisture penetration and resulting structural damage.
- (D) The Owner/Applicant installing the Solar Energy System shall be responsible for any damage to building elements, Unit interiors or personal property caused by such penetrations even if the Mutual has primary maintenance responsibility for such elements under the governing documents of the Mutual.



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#### 61.4.0 INSTALLATION BY COMMERCIAL INSTALLERS

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

#### 61.5.0 SAFETY

- (A) Solar Energy Systems shall be installed and secured in compliance with manufacturer's instructions and all City of Walnut Creek, State of California and Federal ordinances, regulations and laws.
- (B) A Solar Energy System for heating water shall be certified as to all system components and the installation thereof by the Solar Rating & Certification Corporation" or other nationally recognized certification agency.
- (C) A Solar Energy System for producing electricity shall also meet all applicable safety and performance standards established by the National Electrical Code, the Institute of Electrical and Electronic Engineers (IEEE) and accredited testing laboratories such as Underwriters Laboratories (UL TM) and, where applicable, rules of the Public Utilities Commission regarding safety and reliability.
- (D) To ensure the safety of individuals and allow safe access to the physical plant of the Mutual, Solar Energy Systems shall not obstruct access to or from any Unit, walkway, or ingress or egress into any area of the Mutual.
- (E) In approving the installation of any Solar Energy System, the Board is entitled to rely upon the representation of the Owner/Applicant or his or her contractor that the system fully complies with the safety criteria set forth in this Rule. Should the Board later determine that the equipment is not in conformance with such criteria, the Board may require the Owner/Applicant to remove the Solar Energy System or modify it so that it is in compliance with such criteria.

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#### 61.6.0 MAINTENANCE

- (A) Owner/Applicant of a Solar Energy System is solely responsible for all associated costs, including but not limited to: replacement, repair, maintenance, moving and/or removal of the Solar Energy System or any of its components; repair and/or replacement of any property damaged by the installation, maintenance and/or use of the Solar Energy System; payment of any medical expenses incurred by persons injured by the installation, maintenance and/or use of the Solar Energy System; and/or restoration of Solar Energy System sites to their original condition after removal.
- (B) Owner/Applicant shall not permit his or her Solar Energy System to become a hazard or fall into disrepair. Owner/Applicant shall be responsible for correction of any safety hazards and Solar Energy System repair and/or replacement. Owner/Applicant shall be responsible for the cost of repainting or replacement of the visible ancillary components of the Solar Energy System, such as conduits, plumbing and supports, if deterioration occurs, whether performed by the Mutual or outside contractor.
- (C) Owner/Applicant shall be responsible for any increased costs incurred by the Mutual in maintaining or repairing the Common Area or those portions of a Unit or Exclusive Use Common Area which the Mutual is responsible under the Governing Documents for maintaining or repairing which are caused by the presence of a Solar Energy System on the Common Area.
- (D) If it is necessary to temporarily remove a Solar Energy System or some of its components so that the Mutual may perform required maintenance or repairs to the Common Area, the Owner/Applicant of the Solar Energy System shall be responsible, at his or her sole expense, for removing and reinstalling the system after the maintenance or repair is completed. Unless there is an emergency, notices to the Owner/Applicant regarding removal shall be in writing sent by certified mail at least fifteen (15) days prior to the date removal is required. If the Owner/Applicant fails to remove a Solar Energy System or a system component when requested to permit necessary maintenance or repairs, the Mutual may remove the system or component and charge the cost of such removal to the Owner/Applicant. So long as the Mutual uses reasonable care in removing and reinstalling the Solar Energy System or any component thereof, the Mutual shall not be responsible for any damage caused to the system or component by such removal or reinstallation.

#### 61.7.0 RESALE OR TRANSFER OF OWNER'S UNIT

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

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#### 61.7.1 REMOVAL OF SOLAR ENERGY SYSTEM

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

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## EXHIBIT A

### **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 Mutual 39 (the "Mutual"), a California nonprofit mutual benefit corporation, of my/our application to allow the installation of a solar energy system in the common area of the building located at \_\_\_\_\_ in

Mutual 39, I/we acknowledge that I/we have read Walnut Creek Mutual Thirty-Nine's Rule, Owner-Initiated Alterations, Solar Energy System ("Rule 61.0"), understand its contents and agree as follows:

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

2. I/we shall indemnify and hold harmless Mutual 39, Golden Rain Foundation of Walnut Creek, and their respective officers, directors, employees, agents, and members, and their respective successors and assigns (hereinafter "Indemnitees," from and against any and all claims, liability, loss, or damage arising from suits, losses, costs, liabilities, interest, attorney's fees, including but not limited to any such fees and expenses incurred in enforcing this Indemnity Agreement (collectively "Damages") resulting from, arising out of or in any connected with the installation, maintenance, operation or removal of the solar energy system described in Alteration Permit # \_\_\_\_\_

3. The planned solar energy system under Alteration Permit # \_\_\_\_\_ shall be installed on the common-area roof of the building at \_\_\_\_\_, Walnut Creek, CA 94595 in the manner and location approved by the Mutual, which roof is defined under the Declaration of Covenants, Conditions and Restrictions (CC&Rs") of Mutual 39 to be part of the Mutual's common area.

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

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

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

SIGNED this \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_ at \_\_\_\_\_ by all owners of the condominium unit making application for the installation of a solar energy system, as follows:

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

By (signature): \_\_\_\_\_

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

By (signature): \_\_\_\_\_

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

By (signature): \_\_\_\_\_

<b>SOLAR ENERGY SYSTEMS - OWNER-INITIATED ALTERATIONS</b>	R & R No:	61.0B
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## **EXHIBIT B**

### **SOLAR INSTALLATION CHECKLIST ADDENDUM**

Documents required to be attached to application:

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

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

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

D. Dimensioned plans showing location of the following:

- (1) Solar panels
- (2) Routing of electrical/plumbing lines
- (3) Placement of sub-panels within Unit

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

- (1) Electrical/plumbing lines and flashing
- (2) Attachment of panels
- (3) Method of affixing panel brackets and flashing to roof

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

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

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

I. Final inspection checklist:

- (1) Visible ancillary components, such as conduits, plumbing and supports painted to match exterior of adjacent structures (unless such painting would void a manufacturer's warranty).
- (2) Solar panels mounted flush with roof surface, with all rooftop installations blending into the roof color as much as possible.

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

<b>SOLAR ENERGY SYSTEMS - OWNER-INITIATED ALTERATIONS</b>	R & R No:	61.0C
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## **EXHIBIT C**

### **SOLAR ENERGY SYSTEM REMOVAL ADDENDUM**

When it is necessary to remove solar energy systems from Mutual 39 roof tops, the building structure should be returned to its pre-solar installation condition, as follows:

1. Owner of installation shall obtain an alteration permit for removal. This assures that the work is done by a licensed contractor with appropriate insurance, and in accordance with all permits and legal requirements.
2. Obtain Walnut Creek city permit (if required).
3. After removal of the solar energy system, remove roofing and plywood in areas previously covered by the panels, if required by Mutual 39's Building Maintenance Manager.
4. If deemed necessary by Mutual 39, install new roofing system matching the pre-existing roofing design, although color match may not be possible.
5. Patch all holes in the interior ceiling, if deemed necessary by the Mutual, and other penetrations where solar panel appurtenances were installed.
6. Inspect exterior of structure, utility/meter closets and electrical panels for penetrations and repair them.
7. Properly dispose of all materials outside Rossmoor.
8. All work shall be done to the satisfaction of Mutual 39
9. Satisfy all other requirements imposed by Mutual 39

<b>SOLAR ENERGY SYSTEMS - OWNER-INITIATED ALTERATIONS</b>	R & R No:	61.0D
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**EXHIBIT D**

**OWNER NOTIFICATION FORM**

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

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

Signature \_\_\_\_\_

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

Signature \_\_\_\_\_

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

Signature \_\_\_\_\_

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

Signature \_\_\_\_\_

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

Signature \_\_\_\_\_

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

Signature \_\_\_\_\_

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

Signature \_\_\_\_\_

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

Signature \_\_\_\_\_

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

Signature \_\_\_\_\_

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

Signature \_\_\_\_\_

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

Signature \_\_\_\_\_



## 62.0.0 OWNER REQUESTED REMOVAL OR TRIMMING OF TREES

### 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 Mutual 39 Landscape Supervisor at MOD. The Landscape Supervisor shall evaluate the request and disapprove it, after conference with the Mutual President, 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 Mutual President for final approval.

The Mutual President shall obtain a recommendation and signature from the 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 Mutual President, who shall have authority to agree with or overrule the disapproval. The Mutual President's decision is final.

## 63.0.0 ENCROACHMENTS (Other than owner-maintained gardens \*)

An encroachment is a conversion of part of the common area for use by one or more, but not all members of a Mutual. 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 Mutual 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 Mutual.

### 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 Mutual. These permits will expire at the time of resale unless a demand for renewal of the permit is made in escrow.

### 63.3.0 ENCROACHMENTS THAT REQUIRE PERMITS AND VOTING

#### 63.3.1 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 Mutual, and by the Board. Any such encroachment will be removed, at the owner's expense, by order of the Mutual President, 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 Mutual.

#### 63.3.2 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 Mutual and by the Board.

#### 63.3.3 NON-PERMITTED ENCROACHMENTS

Encroachments installed without a required permit will be removed, at the owner's expense, by order of the Mutual President (1) on the president's initiative or (2) in any event at the time of resale; provided, the seller may apply for a permit for the encroachment, subject to approval by the owners of at least 67% of the manors in the Mutual and by the Board.

## 63.0.0 ENCROACHMENTS (Other than owner-maintained gardens \*)

### 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.

### 63.5.0 WAIVERS BY THE BOARD OF DIRECTORS

Any requirement of this rule, 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 rule 56.0.0.

## 64.0.0 POWER SOURCES FOR ELECTRICAL AUTOMOBILES

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

This revised Rule 64 is expanded to cover all electric power use outside the condominium unit ("Unit"). For purposes of clarity, Rule 64 is divided into 64A, 648 and 64C.

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

### 64.0.0 RATIONALE FOR RULE.

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

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

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

### 64.1.1 DEFINITIONS.

1. Electric Vehicle. For purposes of Section 64A, "Electric Vehicle" shall mean a plug-in electric or hybrid automobile, sports utility vehicle (SUV), van or truck.
2. Electric Vehicle Charging Station. For purposes of Section 64A, "Electric Vehicle Charging Station" or "EVCS" shall have the meaning set forth in California Civil Code section 4745(d) which defines Electric Vehicle Charging Station as "a station that is designed in compliance with the California Building Standards Code and delivers electricity from a source outside an electric vehicle into one or more electric vehicles. An electric vehicle charging station may include several charge points simultaneously connecting several electric vehicles to the station and any related equipment needed to facilitate charging plug-in electric vehicles."
3. LOW-Speed Vehicle (LSV). For purposes of Section 648, "Low Speed Vehicle" or "LSV"

## 64.0.0 POWER SOURCES FOR ELECTRICAL AUTOMOBILES

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

- (a) A "low-speed vehicle" is a motor vehicle that meets all of the following requirements:
    - (1) Has four wheels.
    - (2) Can attain a speed, in one mile, of more than 20 miles per hour and not more than 25 miles per hour, on a paved level surface.
    - (3) Has a gross vehicle weight rating of less than 3,000 pounds.
  - (b) (1) For the purposes of this section, a "low-speed vehicle" is not a golf cart, except when operated pursuant to Section 21115 or 21115.1.
  - (2) A "low-speed vehicle" is also known as a "neighborhood electric vehicle."
4. Neighborhood Electric Vehicle (NEV). For purposes of Section 648, "Neighborhood Electric Vehicle" or "NEV" shall, as set forth in California Vehicle Code section 385.5(b)(2), mean Low-Speed Vehicle.
5. Golf Cart. For purposes of Sections 648 and 64C, "Golf Cart" shall have the meaning set forth in California Vehicle Code section 345 which states as follows:  
A "golf cart" is a motor vehicle having not less than three wheels in contact with the ground, having an unladen weight less than 1,300 pounds, which is designed to be and is operated at not more than 15 miles per hour and designed to carry golf equipment and not more than two persons, including the driver.

## 64.0.0 POWER SOURCES FOR ELECTRICAL AUTOMOBILES

### 64A. ELECTRIC VEHICLES AND ELECTRIC VEHICLE CHARGING STATIONS.

64A.0.0. APPLICABILITY AND INTENT. Section 64A applies to Electric Vehicles (as defined in Section 64.1.1 above) and Electric Vehicle Charging Stations (as defined in Section 64.1.2 above) and is intended to comply with Civil Code section 4745 which reflects the State of California's rule of encouraging the use of Electric Vehicle Charging Stations.

#### 64A.1.0 GENERAL.

1. It is the policy of the Mutual to comply with Civil Code section 4745 by approving, whenever reasonably possible, applications for the installation of EVCS and electric wiring and related components necessary to provide electricity sufficient to power approved EVCS installed in (i) an Owner's Exclusive Use Common Area (i.e., attached garage, attached carport, or stand-alone assigned garage/carport, as applicable) and (ii) Common Area parking spaces. Such installation would provide "hard wire" connections to the EVCS as opposed to providing for plug outlets to supply power to portable charging devices.

#### 64A.2.0 Eves REQUIREMENTS.

1. Any Mutual Owner who proposes to install an EVCS ("Applicant") shall:
  - a. Submit an executed "Alteration Agreement" to the Mutual in care of Golden Rain Foundation of Walnut Creek Mutual Operations Division ("MOD");
  - b. Follow the applicable procedures governing "alterations" set forth in Rule 51 (entitled "Owner-Initiated Alterations Generally"); and
  - c. Obtain Board approval and procure an "Alteration Permit" prior to installation of the EVCS.
2. In addition to the submittals required by the applicable procedures governing "alterations" set forth in Rule 51 (entitled "Owner-Initiated Alterations Generally"), the following must accompany the fully filled out and executed Alteration Agreement for installation of an EVCS:
  - a. Plans and specifications clearly indicating where the EVCS is to be located, the brand or manufacturer, technical specifications and dimensions (i.e., height, width, weight, etc.). as well as structural requirements;
  - b. An acknowledgment satisfactory to the Mutual that the Applicant will procure a homeowner liability insurance policy providing \$1 million in coverage and will provide satisfactory evidence to the Mutual, within fourteen (14) days of the Mutual's approval of the EVCS, that the Mutual has in fact been named as an additional insured under the Applicant's homeowner liability insurance policy providing \$1 million in coverage with a right of notice of cancellation; provided,

## 64.0.0 POWER SOURCES FOR ELECTRICAL AUTOMOBILES

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

- c. A fully executed recordable EVCS Installation and Maintenance Agreement substantially in the form attached hereto as Exhibit "A" and approved by the Mutual, binding Applicant and his or her successors to:
  - i. indemnify and hold harmless the Mutual;
  - ii. if applicable, continue the \$1 million liability insurance and additional insured endorsement in effect;
  - iii. pay for the electricity usage associated with the EVCS;
  - iv. be responsible for costs of damage to the EVCS and related property from the installation, maintenance, repair, removal or replacement of the EVCS;
  - v. be responsible for costs of maintenance, repair and replacement of the EVCS; and
  - vi. disclose to prospective buyers the existence of the EVCS and the related responsibilities of the Applicant.
3. Alteration Agreements which include all specified submittals shall be responded to within 60 days of a valid submission.
4. An EVCS may only be installed by the Applicant in Common Area for the exclusive use of such Applicant if installation in the Applicant's assigned carport or garage is impossible or unreasonably expensive. In such cases, the Mutual shall enter into a license agreement with the Applicant for the use of the space in the Common Area.
5. Within fourteen (14) days of approval by Mutual of Applicant's request for permission to install the EVCS and before commencement of installation, the Applicant shall provide the Mutual with satisfactory evidence that the Mutual has been named as an additional insured under the Applicant's \$1 million homeowner insurance liability policy with a right of notice of cancellation; provided, however, that the Applicant shall not be required to maintain a \$1 million homeowner liability coverage policy for an EVCS utilizing an existing National Electrical Manufacturers Association standard alternating current power plug,
6. The installation of the EVCS shall be performed by a qualified, licensed and insured contractor meeting all the requirements set forth in the Alteration Agreement or otherwise imposed by the Mutual.

## 64.0.0 POWER SOURCES FOR ELECTRICAL AUTOMOBILES

5. Applicant shall be responsible for the installation of a separate meter or hard wire the EVCS back to the Unit's electrical meter to accommodate the EVCS. If installed, the meter shall be listed in the Applicant's name and all recharging and related expenses billed directly to the Applicant by Pacific Gas and Electric (PG&E). All installations shall meet all applicable requirements established by state and local laws, PG&E and the Electric Vehicle manufacturer. Electric Vehicle Charging Stations may only be powered using metered circuits billed to the owner.
6. Mutual electrical outlets and metered electric circuits charged to the Mutual may never be used to power an EVCS.
7. Applicant shall comply with all applicable governmental laws and regulations and procure all required City of Walnut Creek and governmental permits and authorizations before installing the EVCS. The EVCS shall meet all applicable governmental and industry safety standards, and local permitting requirements.
8. The EVCS shall be installed in a location acceptable to the Mutual. If visible from the other Exclusive Use Common Area or Common Area, the EVCS must conform to the surrounding structures and environment in design, size and appearance. Visually the installation shall appear neat and attractive, without exposed wiring or visible damage to surrounding improvements.
9. The Applicant and each successive owner of the EVCS shall pay for all electricity usage associated with the EVCS.
10. The use of an extension cord from the Unit to an EVCS is strictly prohibited.
11. The Applicant and each successive owner of the EVCS shall be responsible for:
  - a. all costs for damage to the EVCS, Common Area, Exclusive Use Common Area or Unit resulting from the installation, maintenance, repair, removal, replacement or existence of the EVCS;
  - b. all costs for the installation, operation, maintenance, repair and replacement of the EVCS and all additions or modifications to existing Mutual electrical components until the EVCS has been removed and for the restoration of the Common Area, Exclusive Use Common Area or Unit after the removal;
  - c. disclosing to prospective buyers the existence of the EVCS and the related responsibilities that said buyer will assume, including;
    - i) maintenance at all times of a homeowner liability insurance policy providing \$1 million in coverage which also names the Mutual as an additional insured under the policy with a right to notice of cancellation; provided, however, that said buyer shall not be required to maintain



## 64.0.0 POWER SOURCES FOR ELECTRICAL AUTOMOBILES

\$1million homeowner liability coverage policy for an EVCS utilizing an existing National Electrical Manufacturers Association standard alternating current power plug;

- ii. the obligation to pay for the electricity usage associated with the EVCS;
  - iii. responsibility for all costs for damage to the EVCS, Common Area, Exclusive Use Common Area and/or Unit resulting from the installation, maintenance, repair, removal, replacement or existence of the EVCS;
  - iv. responsibility for the cost of the maintenance, repair and replacement of the EVCS until it has been removed and for the restoration of the Common Area, Exclusive Use Common Area and/or Units after the removal; and
  - v. responsibility to disclose to prospective buyers the existence of any EVCS and the related responsibilities of the owner pursuant to Civil Code section 4745.
12. If, at the time of sale of the Unit, the new owner (i.e., buyer) does not accept responsibility for the EVCS and separate electrical circuit by signing a recordable EVCS Installation and Maintenance Agreement substantially in the form attached hereto as Exhibit "A" and approved by the Mutual, the EVCS and electrical circuit will be dismantled and the electrical circuit capped at the seller's expense.
13. Nothing in this Rule shall modify, release or otherwise discharge any rights of the Mutual or obligations of the owners imposed pursuant to the Declaration, Bylaws, Rules, and applicable law.
14. The prevailing party in any dispute arising out of the interpretation, violation or enforcement of the provisions of this Section 64A relating to Electric Vehicle Charging Stations or documents created as called for under Section 64A.2.0 shall be awarded their reasonable attorneys' fees and costs.

### 64A.3.0 ILLEGAL USAGE.

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

## 64.0.0 POWER SOURCES FOR ELECTRICAL AUTOMOBILES

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

#### 64B.1.0 GENERAL CONDITIONS FOR USE.

1. Owners of electric powered Golf Carts using chargers rated more than 13 amps or 1600 watts must install a dedicated electric circuit conforming to the vehicle manufacturer's specifications.
2. NOTE: Electric powered Golf Carts and Golf Cart chargers rated less than 13 amps or 1600 watts at peak demand are subject to Section 64C below entitled "CHARGING MAJOR APPLIANCES AND GOLF CART CHARGERS RATED LESS THAN 13 AMPS/1600 WATTS AT FULL CHARGE IN THE GARAGE/CARPORT."
3. Owners desiring to provide power to Golf Cart chargers rated more than 13 amps or 1600 watts are responsible for the installation and maintenance of a separate electrical circuit that meets the requirements established by state and local laws and the Golf Cart manufacturer. All costs of installation and usage of the separate electric circuit are the sole responsibility of the owner. If, at the time of sale of the Unit, the new owner does not accept responsibility for the separate electrical circuit, it will be dismantled or capped at the seller's expense.

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

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

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

1. This Section 64B.3.0 applies to owners with stand-alone garages that were originally designed for a single passenger motor vehicle and owners with assigned parking spaces located in stand-alone carports containing multiple stalls.
2. Any such owner who wishes to provide power in his or her stand-alone carport or stand-alone garage for Golf Cart chargers rated more than 13 amps or 1600 watts must (i) arrange for PG&E installation of a separate meter or hard wire the Golf Cart charger back to the Unit's electrical meter, and (ii) undertake all other electrical

## 64.0.0 POWER SOURCES FOR ELECTRICAL AUTOMOBILES

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

3. Such owner shall also (i) submit an Alteration Agreement, (ii) follow the applicable procedures governing "alterations" set forth in Rule 51 (entitled "Owner-Initiated Alterations Generally"), (iii) obtain Board approval and an Alteration Permit, (iv) comply with all requirements imposed by the Board, and (v) procure a City of Walnut Creek permit.
4. Extension cords from the Unit to the garage or carport are not permitted.
5. Extension cords over 10 feet are prohibited for Golf Cart battery chargers and any electrical cord must (i) be in good condition, (ii) meet the manufacturer's specifications for the Golf Cart battery being charged, and (iii) have a minimum of 12 gauge/3 conductors.

### 64B.4.0 ILLEGAL USAGE.

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

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

### 64C.1.0 GENERAL CONDITIONS FOR POWER USE.

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

### 64C.2.0 ATTACHED GARAGES AND ATTACHED CARPORTS.

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

#### 64.0.0 POWER SOURCES FOR ELECTRICAL AUTOMOBILES

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

3. Any owner who desires to charge major electric appliances (such as freezers, refrigerators) and/or Golf Cart chargers rated less than 13 amps or 1600 watts in his or her attached garage or attached carport must, at his or her sole expense, (i) upgrade the electrical system in the manner that is deemed necessary by the Mutual to accommodate such charging and (ii) satisfy all applicable requirements, including but not limited to those imposed by PG&E, governmental authorities, and the manufacturer of the major electrical appliance or Golf Cart charger, as applicable. In that regard, the owner shall: (i) submit an Alteration Agreement, (ii) follow the applicable procedures governing "alterations" set forth in Rule 51 (entitled "Owner-Initiated Alterations Generally"), (iii) obtain Board approval and an Alteration Permit, and (iv) comply with all requirements imposed by the Board, and (v) procure a City of Walnut Creek permit.
4. Extension cords from the Unit to the garage or carport are not permitted.
5. Extension cords over 10 feet are prohibited for battery chargers and any electrical cord must (i) be in good condition, (ii) meet the manufacturer's specifications for the battery being charged, and (iii) have a minimum of 12 gauge/3 conductors.

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

1. Stand-alone garages and stand-alone carports that contain multiple assigned parking spaces present a different set of circumstances. Such garages and carports are detached and remote from the Unit and have convenience electric outlets that provide electric service paid for by the Mutual as opposed to the individual owner.
2. These electric outlets in most stand-alone garages and stand-alone carports were designed to provide power for intermittent use by small appliances. Therefore, major electric appliances (such as freezers, refrigerators) and Golf Cart chargers rated less than 13 amps or 1600 watts - devices which are plugged in continuously - may not be plugged into an existing convenience electric outlet since they tend to overload the circuit. Further, Golf Cart chargers rated more than 13 amps, or 1600 watts may never be plugged into an existing convenience electric outlet.
3. If, after an electrical inspection by the Mutual, the stand-alone garage or stand-alone carport is proven to have sufficient electrical capacity to safely charge a 13 amp/1600 watts or less Golf Cart charger, a sign will be posted in the garage or carport, as applicable, stating that the electric outlet is safe to do so. A user fee, established by the Mutual, will be billed to the owner, unless the electric line is already hard-wired back to the individual owner's PG&E electric meter. Extension cords over 10 feet are

## 64.0.0 POWER SOURCES FOR ELECTRICAL AUTOMOBILES

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

4. If, after an electrical inspection by the Mutual, the stand-alone garage or stand-alone carport is proven to not have sufficient electrical capacity to safely charge a 13 amp/1600 watts or less Golf Cart charger, the Mutual shall, upon request of an owner who has an assigned parking space in a stand-alone garage or stand-alone carport, install, at Mutual expense, a suitably designed electrical panel on the wall of or adjacent to the structure. Any owner desiring to use electric service from such electrical panel to charge his or her Golf Cart charger rated less than 13 amps, or 1600 watts may apply for permission to install, at such owner's sole cost and expense, a suitably designed electric circuit from the Mutual-installed electric panel to his or her assigned parking space. Such owner shall, prior to installing an electric circuit, satisfy the following requirements: (i) submit an Alteration Agreement, (ii) follow the applicable procedures governing "alterations" set forth in Rule 51 (entitled "Owner-Initiated Alterations Generally"), (iii) obtain Board approval and an Alteration Permit, (iv) satisfy all applicable requirements, including but not limited to those imposed by PG&E, governmental authorities, and the manufacturer of the major electrical appliance or Golf Cart charger, as applicable, (v) comply with all requirements imposed by the Board, and (vi) procure a City of Walnut Creek permit. Since the cost of electricity will be billed to the Mutual, the Mutual shall establish an annual, non-refundable fee that will be payable by any owner using the Mutual-installed electric panel. Such fee shall cover such owner's share of: (i) the cost of electricity (if different from the Mutual's fee determination), (ii) administration of billing by MOD, and (iii) the Mutual's annualized capital cost to construct the electrical improvements to provide the electric service.
5. Extension cords from the Unit to the garage or carport are not permitted.
6. Extension cords over 10 feet are prohibited for battery chargers and any electrical cord must (i) be in good condition, (ii) meet the manufacturer's specifications for the battery being charged, and (iii) have a minimum of 12 gauge/3 conductors.
7. A Mutual shall not be required to install an upgraded electrical panel upon the request of an owner who has an assigned parking space in a stand-alone garage or stand-alone carport if such owner also has an attached garage or an attached carport. In such case the owner must, subject to compliance with Section 64C.2.3 above, use his or her stand-alone garage or stand-alone carport to charge his or her Golf Cart charger rated less than 13 amps or 1600 watts.

## 64C.4.0 ILLEGAL USAGE

Mutual metered circuits charged to the Mutual may never be used to power Electric Vehicles, LSVs, NEVs or Golf Cart chargers rated more than 13 amps/1600 watts; such vehicles and devices may only be powered using metered circuits billed to the owner. Each illegal use of a convenience electric outlet is a violation of this Section 64C and shall be subject to a monetary penalty in accordance with Rule 18 (entitled "Enforcement of Rules").

## 64.0.0 POWER SOURCES FOR ELECTRICAL AUTOMOBILES

### **Mutual 39 Rule 64 EVCS Installation MAINTENANCE AND INDEMNITY AGREEMENT**

#### **Exhibit A, Rule 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 Mutual 39 (the "Mutual"), a California nonprofit mutual benefit corporation, of my/our application to allow the installation of an EVCS in the Exclusive Use Common Area of the building located at \_\_\_\_\_ in Mutual 39, I/we acknowledge that f/we have read Walnut Creek Mutual Thirty-Nine's Rule 64.0, Owner-Initiated Alterations, EVCS ("Rule 64.0"), understand its contents and agree as follows:

1. The proposed EVCS shall be installed and maintained in full compliance with Rule 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 Rule 64.0 and Alteration Permit # \_\_\_\_\_

2. I/we shall indemnify and hold harmless Mutual 39, 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&Rs") of Mutual \_\_\_\_\_ to be part of the Mutual'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 Rule 64.0.

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

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

#### 64.0.0 POWER SOURCES FOR ELECTRICAL AUTOMOBILES

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): \_\_\_\_\_

## 64.0.0 POWER SOURCES FOR ELECTRICAL AUTOMOBILES

### Mutual 39 Rule 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.

Checklist Rule 64.0\_



<b>FIREPLACES</b>	R & R No:	69.0
	Revision:	2021-05-25
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## 69.0 FIREPLACES

### 69.0.1 MAINTENANCE

The maintenance of Unit fireplaces, their flues, and spark arrestors is the responsibility of the Owner. Mutual 39 agrees with the U.S. Fire Administration's 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.

### 69.0.2 INSPECTION WHEN MANOR IS SOLD

When a Unit is sold, Mutual 39 requires that its fireplaces, flues, and spark arrestors 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 Department (MOD) before close of escrow.

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

<b>SMOKE ALARMS</b>	R & R No:	70.0
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California Building Code requires that each Unit has a smoke alarm in every bedroom and one in the connecting hall.

Mutual 39 recognizes that it is important for the safety of the entire Mutual that each Unit has working smoke alarms, and has taken the responsibility for the installation, maintenance, and replacement of three (3) 10-year smoke alarms per Unit.

Owners may install additional smoke alarms at the Owners' expense. It shall be the Owner's responsibility to maintain and replace these additional devices, including replacing batteries when necessary. Mutual 39 is not responsible for any smoke alarms or other types of alarms that are not provided and installed by the Mutual.

<b>PETS</b>	R & R No:	71.0
	Revision:	2021-02-23
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## 71.0 PETS

No more than three (3) domestic pets shall be kept in a Unit at any one time (excluding service dogs). Pet Owners are expected to maintain responsible ownership, housing, and care by observing the following:

- 1) When out of the unit, dogs must be on a leash and under the control of a responsible person, unless they are within the Dog Park, where dogs may run unleashed. All other animals must be under the control of a responsible person at all times. No unattended pets are permitted in the Mutual.
- 2) Pet owners are responsible for the immediate removal and proper disposal of their pets' bodily waste.
- 3) No animals shall be kept, bred, or raised for any commercial purposes within the Mutual.
- 4) The Board has the right to prohibit the presence of any animal within the Mutual that is found to be a nuisance to and/or threat to the safety of other Owners and residents. Animals that are determined by the Board to be noisy, destructive, or dangerous are subject to removal from the Mutual.
- 5) The Board may impose fines and penalties per R&R 18.0 to the unit Owner for repeated violation of these Rules and Regulations.

<b>WILDLIFE FEEDING</b>	R & R No:	72.0
	Revision:	2021-05-25
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## 72.0 WILDLIFE FEEDING

Rossmoor hosts a wide variety of wildlife animals and birds, which are not only an attraction for homeowners but can also pose risk to personal health and promote property damage. To limit these potential adverse outcomes, feeding of all wildlife outside of the Unit is not permitted.

- 1) Birdseed feeders and the scattering of birdseed are not allowed.
- 2) Hummingbird feeders may be used.
- 3) Outside birdbaths are not allowed, to limit standing water and the potential of mosquito breeding.

R&R 18.0 specifies the monetary penalty for violations of this R&R 72.0

## 73.0.0 OWNER ACCESS TO MEMBERSHIP LISTS

### 73.1.0 CONDITIONS FOR ACCESS

Any member of Mutual 39 who wishes to inspect or obtain a copy of the list of names and addresses of the members of the 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.

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 Mutual, 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. Mutual 39 may charge a reasonable fee to cover copying and mailing costs. <sup>1)</sup>

<sup>1)</sup> 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.

### 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 Mutual.

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 Mutual 39 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.

### 73.0.0 OWNER ACCESS TO MEMBERSHIP LISTS

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.

## 74.0.0 OWNER ACCESS TO BOARD MINUTES

Owners have access to minutes of the meetings of the Mutual 39 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 u§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 Mutual 39 at 1001 Golden Rain Road, Walnut Creek, California 94595

<b>RESOLUTION OF LOCAL CONFLICTS</b>	R & R No:	75.0
	Revision:	2021-05-25
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## 75.1 LOCAL RESOLUTION

Owners (and residents on behalf of Owners) faced with urgent problems such as safety or health hazards, threats, or violence should:

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

Less urgent matters, such as parking problems, or disagreements among residents, shall be resolved locally (within the individual building or entry) when possible.

## 75.2 REFERRAL TO THE BOARD

If a problem cannot be resolved locally, the members concerned shall refer the matter to the Board for action. The Board will take whatever measures it deems necessary and proper to resolve the issue.



## 76.0.0 DISPUTE RESOLUTION

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

#### 76.1.1 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.

#### 76.1.2 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.

#### 76.1.3 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:

## 76.0.0 DISPUTE RESOLUTION

"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.

<b>SIGNAGE</b>	R & R No:	77.0
	Revision:	2021-10-14
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## 77.0.0 SIGNAGE

### 77.1.0 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.

<b>BARBECUES, OUTDOOR</b>	R & R No:	78.0
	Revision:	2021-02-23
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#### 78.1.0 REFER TO CALIFORNIA FIRE CODE, SECTION 308 OPEN FLAMES

The purpose of this Regulation is to clearly define the rules regarding the use of open flames Barbecues within the confines of Mutual 39.

#### 78.2.0 MUTUAL 39 BARBECUING REGULATIONS

In addition to those rules outlined in the California Fire Code, the use of barbecues in Mutual 39 must comply with the following:

- 1) No charcoal barbecues are allowed.
- 2) All barbecues used must have a lid that can close over the barbecue in case of a flare-up.
- 3) Propane fueled barbecues must not be operated within 10 feet of combustible materials above or on all sides of the barbecue. No propane barbecues are permitted on balconies.
- 4) A fully charged ABC rated fire extinguisher is required to be available within reach and clearly visible when a propane-fueled barbecue is being operated.
- 5) Never leave your grill unattended.
- 6) Keep your grill clean and free of grease or fat buildup on the grills and the trays below the grill.
- 7) All barbecue units must be used and maintained safely and must not be a nuisance to other residents.
- 8) Residents shall not barbecue on Spare the Air days.

#### 78.3.0 ENFORCEMENT

Any violations or concerns may be directed to the Mutual 39 Board of Directors. Violators may be subject to penalties as defined in RR18.0.

## 79.0.0 SECONDARY MAILING ADDRESSES

Any member may establish a secondary mailing address by notifying the Secretary of the Mutual 39 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, for any purpose, will be sent to both addresses.

## 80.0.0 SPORTS APPARATUS

### 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 Rule 18.0.0

## 89.0.0 Minimum Levels of Project Operating and Reserve Funds

Rationale: In order to ensure the financial integrity in Mutual 39 the following minimum levels for the Operating Fund (defined as monies set aside in order to pay for the operating expenses during the current year) and the Reserve Fund (defined as monies set aside for repair, removal or replacement of major components within the Mutual).

### 89.1.0 OPERATING FUND

The Operating Fund shall be maintained at the beginning of each fiscal year 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 to cover pending commitments for work to be done within the Mutual and cash invested in CDARS or other such programs and dividing the sum by the number of manors in the Mutual.

### 89.3.1 TREASURER'S REVIEW

The Treasurer shall complete a review of the financial condition of the Mutual 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 Mutual budgets for the succeeding year.

## 90.0.0 MANAGING AGENT RELATIONS

Golden Rain Foundation, as managing agent for Walnut Creek Mutual Thirty-Nine, has a responsibility to assist the Board in implementing the Board's Rules and Regulations, 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.



<b>CONTRACTORS - WORK SITE RULES</b>	R & R No:	91.0
	Revision:	2021-10-14
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## 91.0.0 WORK SITE RULES FOR CONTRACTORS

Mutual 39 has engaged GRF-MOD to be its Managing Agent—this includes the management of contracts and contractors. All contractors and owner-contractors must agree in writing to comply with the MOD Rules for Contractors before performing any work in Mutual 39.

### 91.1.0 WORK SITE RULES

A copy of the current Contractor Working Rules can be obtained at the MOD offices or online at the Rossmoor.com web site under Residential Services, Alterations and Resales or directly at: <https://rossmoor.com/wp-content/uploads/Contractors-Working-Rules.pdf> (see Note 1)

### 91.2.0 CONTRACTOR LIST

For convenience MOD maintains a list of Contractors who are familiar with Rossmoor. The list can be found on the Rossmoor.com web site under Residential Services, Alterations and Resales, or directly at: <https://rossmoor.com/wp-content/uploads/Contractors-List.pdf> (see Note 1)

The list is not a recommendation, and the contractors are neither affiliated with, nor endorsed by, Mutual 39 or GRF/MOD.

### 91.3.0 CONTRACTOR RULES VIOLATIONS

All complaints of violations of the Rules for Contractors should be directed to GRF-MOD during normal working hours, or if urgent to Rossmoor Security.

**Note 1:** These URLs are listed for convenience and are correct at the time of publication but may change over time. If they do not work please search the Rossmoor.com web site for the subject information.

<b>WORK ORDERS, CONTRACTS, AND CHANGE ORDERS</b>	R & R No:	92.0
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## 92.0.0 WORK ORDERS, CONTRACTS, AND CHANGE ORDERS

### 92.1.0 LIMITS ON DIVISION OF TASKS

No party shall divide a task into separate work orders or contracts in order to avoid Mutual 39 approval or bidding requirements.

### 92.2.0 MUTUAL APPROVAL

Except for emergency repairs, all contracts and work orders for goods or services in excess of \$5,000 shall be signed by the Mutual President or Vice President and reported to the Board. The Managing Agent (GRF-MOD) is authorized to approve expenditures for emergency repairs pursuant to the Mutual's Rules and Regulations #17.5.0. All Mutual 39 Master Service Agreements must be approved by the Board.

### 92.3.0 BIDDING

Any job over \$5,000 or repetitive job that will aggregate over \$5,000 will be bid out unless the Mutual President orders otherwise, in writing. Jobs under \$5,000 alone or in aggregate shall not be bid out unless the Mutual President requests bidding. Single-source vendors shall be bid against at least once every 3 years.

### 92.4.0 CHANGE ORDERS

A change order or orders in aggregate that costs 5% or less of the contract value may be approved by the Mutual President. Change order or orders that would increase the contract value by more than 5% shall require the approval of the Board.

If a contract is awarded 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. The change order or new contract shall include all changes in scope, specifications, and completion plans.

### 92.5.0 NEW CONTRACTS IN LIEU OF CHANGE ORDERS

After a contract is awarded for all of the work covered by an acceptable bid, if MOD or the Mutual President determines that similar work is needed at a location that is not covered by the original contract, such work requires a new contract and may not be covered by a change order.

<b>RULES FOR USE OF STORAGE CONTAINERS (PODS)</b>	R & R No:	93.0
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### 93.0.0 RULES FOR USE OF STORAGE CONTAINERS (COMMONLY CALLED PODS)

Mutual 39 will allow the use of storage containers (SC) for no more than seventy-two (72) hours. This rule aims to balance the needs of the Resident desiring to use a SC and the rights of the other residents to have adequate parking, ingress and egress.

#### 93.1.0 DEFINITION

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

#### 93.2.0 PROCEDURES FOR APPROVAL BY MUTUAL

In order to allow delivery and removal within 72 hours, residents should begin arrangements well in advance of the desired dates. The procedure for approval will be as follows:

The Resident should contact the Mutual President in writing (email preferred) indicating that they desire placement of a SC within a specified entry in the Mutual. The resident must provide the following details in this written request:

- 1) The proposed delivery and removal dates for the SC,
- 2) The SC company name and proposed size of the SC,
- 3) The Rossmoor address pertaining to the proposed SC, and
- 4) The phone numbers of the Resident seeking approval.

If approved, the Mutual President 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.

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

#### 93.3.0 IMPLEMENTATION BY SECURITAS

The Mutual President 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. Securitas will not allow delivery until the contracted date.

#### 93.4.0 SITE PREPARATION

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

#### 93.5.0 ENFORCEMENT

Violators may be subject to penalties as defined in R&R18.0.