

RULES AND POLICIES
OF
WALNUT CREEK MUTUAL NO. FORTY

IF THIS DOCUMENT CONTAINS ANY RESTRICTION BASED ON RACE, COLOR, RELIGION, SEX, GENDER, GENDER IDENTITY OR EXPRESSION, SEXUAL ORIENTATION, FAMILIAL OR MARITAL STATUS, DISABILITY, NATIONAL ORIGIN, ANCESTRY, VETERAN OR MILITARY STATUS, GENETIC INFORMATION OR SOURCE OF INCOME AS DEFINED IN SUBDIVISION (P) SECTION 12955 OF THE CALIFORNIA GOVERNMENT CODE, 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.

INTRODUCTION

This manual contains Rules and Policies that have been adopted by the Board of Directors of Walnut Creek Mutual No. Forty (the Mutual) in accordance with applicable provisions of the Davis-Stirling Common Interest Development Act and the Board's authority under Section 2.5 of the Mutual's Declaration of Covenants, Conditions and Restrictions (CC&Rs) to adopt rules and policies for the management and operation of the Mutual and the conduct of its business and affairs. These Rules and Policies may be amended from time to time, and this manual will be updated accordingly.

These Rules and Policies are not all-inclusive, and other rules, restrictions, policies and procedures are set forth in the Mutual's other Governing Documents (i.e., its Articles of Incorporation, CC&Rs, and Bylaws). If any of these Rules and Policies conflicts with these other Governing Documents or any applicable law, such other Governing Documents and applicable law shall take precedence.

Each Owner is legally obligated to abide by all applicable provisions of these Rules and Policies and of all other Governing Documents of the Mutual, and to insure that their Residents, Guests, Invitees and any renters do so also.

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1.0 DEFINITIONS

Listed below are certain defined terms frequently used in these Rules and Policies. All other capitalized terms that are not otherwise specifically defined in these Rules and Policies shall have the same meanings ascribed to them in the Mutual's CC&Rs and Bylaws unless the context clearly requires otherwise.

- 1.01 Board of Directors or Board shall mean the board of directors of the Mutual.
- 1.02 CC&Rs or Declarations shall mean the Declaration of Covenants, Conditions and Restrictions of the Mutual, as amended from time to time, recorded in the Office of the County Recorder of Contra Costa County, California.
- 1.03 Civil Code Sections are identified by the symbol §.
- 1.04 Common Area shall mean all real and personal property, improvements and airspace comprising the Mutual's condominium project as described in the CC&Rs which is owned by all the Owners in common but excluding the Units. Some portions of the Common Area are Exclusive Use Common Area.
- 1.05 Designated Occupant shall mean a senior citizen residing in a Unit who is the spouse, parent, or child of the owner of the condominium 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 to the Mutual and Golden Rain Foundation to the designated occupant. Appropriate forms for such transfer shall be approved and utilized by the board. A person's status as a designated occupant shall end upon the death of the Owner or transfer of the title to the Unit.
- 1.06 Director shall mean a member of the Board of Directors of the Mutual.
- 1.07 Exclusive Use Common Area shall mean any portion of the Common Area the exclusive use of which is set aside, allocated, assigned and/or restricted to the exclusive use or possession of the Residents of a particular Unit and/or exclusively serves a particular Unit, as more fully described in Section 1.21 of the CC&Rs.
- 1.08 Golden Rain Foundation or GRF shall mean the Golden Rain Foundation of Walnut Creek, a California nonprofit mutual benefit corporation.
- 1.09 Governing Documents shall mean the Articles of Incorporation, Bylaws, CC&Rs, and Rules and Policies of the Mutual.

Rules and Policies of Mutual 40

- 1.10 Guest shall mean a person who spends one or more nights in a Unit and is not a Resident.
- 1.11 Invitee shall mean a person who is temporarily on the premises by the express or implied invitation of a Resident, but who does not spend one or more nights in a Unit.
- 1.12 Member or Owner shall mean the record owner, whether one or more persons or entities of the fee simple title to any Condominium (as defined in the CC&Rs) within the Mutual, including a separate fee interest in a Unit. Where the CC&Rs impose restrictions on a Member, the restriction also applies to the Member's and Tenant's family, Guests, and Invitees.
- 1.13 MOD, Mutual Operations Division, or Managing Agent shall mean GRF's Mutual Operations Division, with which the Mutual has contracted to provide management, administrative and other services.
- 1.14 Mutual or Mutual 40 shall mean Walnut Creek Mutual No. Forty, a California nonprofit mutual benefit corporation.
- 1.15 Resident shall mean any person who resides in a Unit within the Mutual, whether or not such person is an Owner.
- 1.16 Unit or Manor shall mean the elements of an Owner's condominium interest that are not owned in common with other Owners, as more specifically defined in Section 1.44 of the CC&Rs.

2.0 MUTUAL ADMINISTRATION

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Adopted 02/29/24

The affairs and business of the Mutual are conducted under the overall direction and control of a Board of Directors consisting of five (5) Directors elected by the Members of the Mutual. The Board appoints officers and committees who have such duties and powers as set forth in the Mutual's Bylaws and as otherwise prescribed by the Board. The Mutual also has entered into a management services agreement with the Golden Rain Foundation's Mutual Operations Division (MOD) under which MOD provides certain day-to-day administrative, management and other services to the Mutual and its Members.

The Mutual's Bylaws contain rules and procedures regarding election of Directors, Member and Board meetings, the appointment of officers and committees, the powers and duties of the Board, officers and committees, and other matters. The Bylaws (as well as the Mutual's Articles of Incorporation and CCRs) may be found on the Mutual's website at rossmoor.com/residents/mutuals under Mutual 40/Governing Documents.

2.1 Standing Committees. The Board has created the following Standing Committees:

- Alterations/Architectural Review
- Building Maintenance
- Emergency Preparedness
- Finance
- Governing Documents
- Landscape
- Recycling/Green

Within one month after each annual meeting, the Board will appoint (or reappoint) chairpersons and other members of each Standing Committee. Each Standing Committee may prepare a written description of the roles, responsibilities, and rules of the Standing Committee for review and approval by the Board. The current chairpersons and members of the Standing Committees and any written descriptions of the Standing Committees roles, responsibilities and rules may be found on the Mutual's website at [rossmoor.com/for residents/mutuals](http://rossmoor.com/for_residents/mutuals) go to Mutual 40/Useful Information.

2.2 Board and Member Meetings.

2.2.1 Attendance by Owners. The Board welcomes and encourages attendance by Owners at Board and Member meetings. Owners may not attend executive

session meetings of the Board (as defined in Section 6.8 of the Bylaws) unless specifically invited.

2.2.2 *Comments by Owners.* Comments are welcome during the Members' Forum portion of each Board or member meeting. Comments should be brief, *no* longer than two (2) or three (3) minutes. Comments that are slanderous, offensive, threatening, or delivered in a belligerent manner will not be allowed.

2.2.3 *Commercial Presentations.* The Board does not permit commercial presentations

- a. By the Mutual's Managing Agent or by a Director, as background for a proposed course of action, and
- b. By a commercial representative, with specific approval by the Board in advance of the Board meeting

2.3 Record Retention. The Mutual's records and documents shall be retained only so long as they are: (1) 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 (in a secure manner) after the retention periods shown, unless good cause exists for keeping a particular record for a longer period. MOD shall be the custodian of the Mutual's records and documents. (See next page for table of retention periods)

Category	Retention Period
Governing Documents (CC&Rs, Bylaws, Articles of Incorporation, Rules, and all amendments thereto)	Permanent
Minutes of Board and member meetings, and of meetings of committees with decision-making authority	Permanent
Filings with Department of Corporations	Permanent
Annual operating budgets, financial statements, and reserve studies	Permanent
Owner-initiated alteration permits	Permanent
Attorney opinion letters and similar correspondence	Permanent
Settlement documents	Permanent
Insurance policies	Permanent
Federal and state tax returns	Seven (7) years
Bank statements & cancelled checks	Seven (7) years
Cash receipts and disbursement records (including billing/aging ledgers, accounts payable ledgers and vendor invoices)	Seven (7) years
General ledgers, journals and charts of accounts	Seven (7) years
General correspondence	Seven (7) years
Contracts which have been fully performed	Seven (7) years after completion of work or services
Warranties	Warranty period plus seven (7) years
Litigation documents (pleadings, depositions, etc.)	Seven (7) years after completion of litigation
Ballots and tally sheets for elections	One (1) year after election

2.4 Access to Mutual Records.

2.4.1 *Right to Inspect and Copy Mutual Records.* Owners have certain rights to inspect and obtain copies of Mutual records (including limited rights to obtain the Mutual’s membership list) as set forth in Civil Code §§ 5200-5230. An Owner who wishes to inspect or obtain a copy of any Mutual records should submit a written request to the Mutual 40 Board of Directors at 1001 Golden Rain Road, Walnut Creek, California 94595.

The requesting Owner must pay for the cost of duplicating and delivering copies of any Mutual records, and the Mutual may also charge an amount not to exceed \$10 per hour and not to exceed \$200 per written request, for the time reasonably involved in making permitted redactions in the Mutual records.

2.4.2 *Membership List.* Owners are entitled to a copy of the membership list of the Mutual as set forth in Civil Code § 5200(a)(9). When requesting a copy of the membership list, an Owner must state 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 other unauthorized purposes, or where the Board provides a reasonable alternative, the Board may deny the Owner access to the list.

3.0 DISPUTE RESOLUTION

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Adopted 10.26.23

3.1 Resolution of Neighbor Disputes.

Most disputes between Owners or Residents can be resolved through communication and discussion. Should a dispute occur, which cannot be resolved between the owners or Residents, the Board must be notified, preferably, in writing and a member or members of the Board will investigate and determine how to respond. The investigation will take place in a timely manner and all parties to the dispute will be involved, if possible. The Board may take whatever measures it deems necessary and reasonable to resolve the issue.

Owners and Residents who wish to call attention to problems such as unruly behavior, unsafe or illegal parking, other disruptive activities, threats, violence or safety and health hazards should:

- Dial 911 in case of an emergency
- Notify the Golden Rain Foundation's (GRF) Department of Public Safety at 925-988-7841

3.2 Internal Dispute Resolution (IDR).

Internal disputes between the Mutual and any Resident or Owner will be subject to the following procedure:

- 3.2.1 *Dispute Resolution.* Either party may request the other party to meet and confer in an effort to resolve the dispute. The request must be in writing.
- 3.2.2 *Meet and Confer.* An Owner or Resident may refuse a request to meet and confer. The Mutual may not refuse a request to meet and confer.
- 3.2.3 *Board Member Participation.* The Mutual Board shall designate a member or members of the Board to meet and confer.
- 3.2.4 *Good Faith Effort.* The parties shall meet promptly and at a mutually convenient date, time and place, explain their positions to each other and confer in good faith in an effort to resolve the dispute.
- 3.2.5 *Documentation of Resolution.* 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 Mutual

3.3 Alternative Dispute Resolution (ADR)

In addition to the procedures stated in the CC&Rs, California Civil Code § 5965 addresses the Alternative Dispute resolution (ADR) prerequisite to a civil action to enforce the Governing Documents.

Any party to a dispute may initiate ADR in the form of mediation by serving on all other parties to the dispute a Request for Resolution pursuant to Civil Code § 5935. A party on whom a Request for Resolution is served has 30 days following services to accept or reject the request. If not accepted within 30 days, the Request is deemed rejected.

If the party on whom a Request for Resolution is served accepts the Request, the parties shall complete the ADR within 90 days, unless a different time is agreed to by the parties.

The costs of ADR shall be borne by the parties, e.g., if there are two parties, each party shall pay half of the costs of ADR.

Civil Code § 5965 requires that the Owners shall be provided each year with a summary that must include the following language:

FAILURE BY ANY MEMBER OF THE ASSOCIATION TO COMPLY WITH THE PREFILING REQUIREMENTS OF CIVIL CODE §5965 MAY RESULT IN THE LOSS OF YOUR RIGHTS TO SUE THE ASSOCIATION OR ANOTHER MEMBER OF THE ASSOCIATION REGARDING ENFORCEMENT OF THE GOVERNING DOCUMENTS OR THE APPLICABLE LAW.

4.0 FISCAL POLICIES

4.1 General Fiscal Policy.

It is the policy of the Board to ensure that the Mutual maintains a sound fiscal condition, operates within balanced budgets to the maximum extent possible, and maintains adequate reserves. The Board shall exercise diligent oversight over collection of assessments and fines, investment of Mutual funds and expenditure of Mutual funds.

4.2 Annual Budgets and Assessments.

Each year, the Board will cause annual operating and reserve budgets to be prepared for the next fiscal year that are intended to be sufficient to fund anticipated expenses for the next fiscal year, provide a reasonable amount of working capital for the Mutual's cash flow needs and contingencies, and provide reasonable additions to the Mutual's reserve fund for repair, replacement, and maintenance of the Common Area for which the Mutual is responsible. The operating budget may provide for using part of the operating fund balance to cover operating expenses in excess of current operating revenues, and the reserve budget may provide for using part of the reserve fund balance to cover reserve expenses in excess of current reserve revenues. After receiving input on such budgets from MOD and the Mutual's Finance Committee, the Board will review, discuss and approve final annual operating and reserve budgets, and will levy an Annual Assessment for the next fiscal year based on the approved budgets, subject to any member approval that may be required under applicable law.

4.3 Special Assessments; Reimbursement Assessments.

The Board may from time to time approve and levy special assessments on all members for unanticipated budget shortfalls or to raise funds for repair, replacement, and maintenance of the Common Area, subject to any member approval that may be required under applicable law. The Board may also approve and levy reimbursement assessments on individual members as authorized and permitted under the Mutual's Governing Documents and applicable law.

4.4 Authorization for Expenditure of Funds.

The Board may authorize its manager, MOD, to commit and expend Mutual operating and reserve funds for budgeted expenses, subject to the following:

4.4.1 *Transfers.* As required by Civil Code § 5502, transfers from operating or reserve accounts cannot be made without prior written approval of the Board unless the amount of the transfer is less than the lesser of \$10,000 or 5% of the Mutual's estimated income in its annual operating budget.

The Board may adopt an annual written resolution containing its advance approval and ratification of such transfers for budgeted expenses.

- 4.4.2 *Commitment of Funds.* MOD may not commit or expend Mutual operating funds or reserve funds if the operating or reserve fund balance, as applicable, is insufficient (or likely to be insufficient) to cover the amounts to be committed or expended;
- 4.4.3 *Approval Limits.* Any contract or work order for goods or services over \$500 must be approved in advance by the Mutual President; provided, however, that MOD may approve reasonable expenditures for emergency repairs to limit losses or mitigate safety issues, provided that MOD shall promptly report the emergency expenditures to the Mutual President. (For larger contracts or work orders, the President in his or her discretion may decide to also obtain Board approval.)
- 4.4.4 *Advance Approval.* Any contract or work order for goods or services that will be billable to an Owner must be approved in advance by the Mutual President; provided, however, that MOD may approve reasonable expenditures for emergency repairs to limit losses or mitigate safety issues, provided that MOD shall promptly report the emergency expenditures to the Mutual President.
- 4.4.5 *Owner Billable* Any payment or reimbursement to be made by the Mutual to an Owner or Resident must be approved in advance by the Mutual President.
- 4.4.6 *Signature Requirements.* As required by Civil Code § 5510, the signatures of either (i) two Directors, or (ii) one Director and an Officer who is not a Director, shall be required for the withdrawal or expenditure of moneys from the Mutual's reserve accounts.
- 4.4.7 *Legal Invoices.* Payment of invoices for legal services must be approved in advance by the Mutual President.
- 4.4.8 *Claims Settlement.* Any settlement of a legal claim or dispute must be approved by the Board.
- 4.4.9 *Write Offs.* Any full or partial write-off of a member receivable must be approved by the Board.

4.5 Investments

The Mutual's operating and reserve funds are augmented by income from the investment of excess cash. Investments of excess cash must be approved by the Board, and only the following types of investment may be made:

- 4.5.1 *Bank savings accounts* insured by the Federal Deposit Insurance Corporation (FDIC) up to the legal limit.
- 4.5.2 *Certificates of Deposit* insured by the FDIC up to the legal limit, and maturing no more than five (5) years from the purchase date; and
- 4.5.3 *U.S. Treasury bills or notes* maturing no more than five (5) years after the purchase date.

5.0 VOTING AND ELECTIONS

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Adopted 06/05/23

5.1 Membership Meetings

5.1.1 *Generally.*

- Annual Meetings.
The Mutual must hold a membership meeting at least each year in accordance with the Bylaws.
- Special Meetings.
Special meetings may be called for any lawful purpose by any of the following: (i) President of the Mutual and (ii) majority of the Board. In addition, special meetings of Members for any lawful purpose may be called by five percent (5%) or more of the Members in good standing, or as otherwise required by law. If a special meeting is called by Members of the Mutual, the request must be submitted to the Board in writing, specifying the nature of the business to be transacted. The Director or officer receiving the request must promptly deliver the request to the remaining Directors.

5.1.2 *Chair and Secretary of Meeting.* The President of the Board or, in the President's absence, the Vice President or any other person designated by the Board must call the membership meeting to order and must chair the meeting. The Secretary of the Board must act as Secretary. In the absence of the Secretary, the presiding Officer must appoint someone to serve as acting Secretary for the meeting.

5.1.3 *Recording of Meetings.* Audio and video recording of membership meetings are prohibited by anyone other than a person authorized by the Board to record the meetings for the sole purpose of preparing official Mutual minutes.

5.2 Voting Rights

5.2.1 *Number of Votes.* For each matter submitted to the Membership for a vote, Members are entitled to one (1) vote for each Unit (regardless of the number of Members having an interest in the Unit). The Mutual may not suspend the voting rights of Members

5.2.2 *Co-Owners.* Where there is more than one Owner of a Unit subject to the Mutual's CC&Rs, all such co-Owners are Members and may attend any meeting of the Mutual, but only one co-Owner is entitled to exercise a vote to which the Unit is entitled. Fractional votes are not permitted. In the event more than one ballot is cast for a particular Unit on the same matter, only the first ballot received will be opened and counted.

5.2.3 *Proof of Membership.* No person or entity may exercise the rights of membership without an ownership interest in a Unit subject to the Mutual's CC&Rs. If the Board requests proof of ownership, the required proof is a recorded deed showing the required ownership or, if the

property was transferred within the past thirty (30) days and a copy of the newly-recorded deed is not yet available, a completed escrow closing statement is sufficient.

- 5.2.4 *Presumption of Consent.* Unless the Inspector(s) of Election receive a written objection prior to the close of balloting from a Co-Owner, it is conclusively presumed that a voting Owner acted with the consent of their Co-Owners
- 5.2.5 *Voting for Properly Nominated Candidates.* Members must vote only for those candidate(s) who have been properly nominated prior to the close of nominations.
- 5.2.6 *Electing Board Seats with Different Terms.* In any election where different Board seats to be filled have different terms, the elected candidate(s), in the order of the most votes received, will fill the longest terms available first.
- 5.2.7 *Record Date.* For elections where written ballots are used, the record date for voting in the election will be the first date any ballots are distributed to the Members. However, if a ballot-counting meeting (whether a membership meeting or a Board meeting) for an election is adjourned, the Board may establish a new record date and if so, must give notice of the adjourned meeting to each Member who, on the record date for notice of the meeting, is entitled to vote at the meeting. Only persons or entities who are/were Members on the original or new record date are entitled to vote for their respective Unit(s). Nothing in this subsection permits the casting of more than one ballot for each Unit. Persons or entities acquiring title on other than a record date may attend the ballot-counting election meeting but are not entitled to vote. For any election where a written ballot is not used, the Board is permitted to set a record date for an election no more than sixty (60) days before the date of the election meeting.
- 5.2.8 *Proxies.* Proxy voting is not permitted.
- 5.2.9 *No Cumulative Voting.* Cumulative voting is not permitted.
- 5.2.10 *Quorum.* A quorum is not required for the following: (1) an annual Members meeting at which Members will not vote; (2) an election of Directors; and (3) a membership vote regarding excess income pursuant to an IRS Revenue Ruling 70-604 (or any successor Revenue Ruling). The Bylaws control the minimum quorum for a Membership vote, except the Quorum for an election to approve an assessment increase is more than fifty percent (50%) of the Members per the Davis-Stirling Act.
- 5.2.11 A quorum may be represented by any combination of Members physically present, virtually present by electronic video screen communication, conference telephone, or other means of remote communication, as permitted by Corp. Code §7511(a), and/or present by casting a ballot as provided for in Civil Code §5115(d).

5.2.12 *Approval Requirements.* The approval requirements for all matters decided by the membership shall be as set forth in the Mutual's Bylaws and CC&Rs.

5.3 Nominations

5.3.1 *Nomination Procedures and Notice.* Prior to the election of Directors, the Board must, by written notice to all Members, solicit nominees. The solicitation must specify the qualifications for candidates for the Board and the procedure and deadline for submitting a nomination.

5.3.2 *Deadline.* The deadline must be at least thirty (30) days after giving notice. Delivery of the solicitation must be by general notice or, if individual notice is requested by a Member before the solicitation is given, by individual notice, pursuant to Civil Code §4040. Nominees must be listed as candidates on the ballot provided: (i) they meet candidate and Director qualifications and (ii) their nomination is made prior to the date and time set for the close of nominations.

5.3.3 *Self-Nomination.* Any qualified person may nominate themselves for election to the Board of Directors by submitting to the Mutual a written statement signed and dated by the nominee. The Mutual must set a cut-off date for the receipt of self-nomination statements, which date must be publicized in advance to the Members.

5.3.4 *Nominating Committee.* As provided for in the Bylaws, a nominating committee may be appointed each year by the Board to solicit candidates to run for the Board and notify them of : (i) the date for the close of candidate applications, (ii) the date for election of Directors, either at an annual meeting or by ballot without a meeting, (iii) and the qualifications to serve on the Board. Such nominations may be made from among Members only. Per Civil Code §5105(a), the nominating committee may not preclude qualified Members from nominating themselves.

5.3.5 *Floor Nominations and Write-In Candidates.* Once nominations have been closed, no write-in candidates are allowed on ballots and no floor nominations of candidates can be made at the ballot-counting meeting.

5.3.6 *Election by Acclamation (Uncontested Elections).* When, as of the deadline for submitting nominations provided for in Civil Code §5115(a), the number of qualified candidates is not more than the number of vacancies to be elected, as determined by the inspector or inspectors of the elections, the Mutual may, but is not required to, consider the qualified candidates elected by acclamation if all the conditions set forth in Civil Code §5103 are met.

5.4 Director Elections

5.4.1 *Number and Term of Directors.* The Board will consist of five (5) Directors. The term of each Director is two (2) years and until a qualified successor is

elected to fill their seat. Three (3) Directors will be elected in odd-numbered years and two (2) Directors will be elected in even-numbered years.

5.4.2 *Candidate and Director Qualifications.* Members must meet the qualifications in the subsections hereafter to be eligible for nomination as a candidate for, or to serve as a Director on, the Board.

- **Candidates and Directors Must Be Members.** The Board must disqualify: (1) the nomination of any candidate running for the Board and/or (2) any director serving on the Board, who is not a Member of the Mutual. Further the Board is not permitted to appoint any person to serve on the Board who is not a Member of the Mutual. Proof of membership must be a recorded deed. Persons holding a fee simple interest in a Unit merely as security for the performance of an obligation are not eligible to either be a candidate for or to serve on the Board.
- **Member in Good Standing.** To be eligible for nomination and/or to serve on the Board, the person or impersonal entity must not be delinquent by sixty (60) days or more in the payment of any regular or special Assessment, except:
 - A person may not be disqualified from nomination for nonpayment of fines, fines characterized as assessments, collection charges, late charges or costs levied by a third party.
 - A person may not be disqualified from nomination because the person has paid the regular or special assessment under protest.
 - A person may not be disqualified from nomination due to delinquent assessments if the person has entered into a payment plan with the Mutual pursuant to Civil Code §5665 and is fulfilling the terms of the payment plan.

- Co-Owners Eligible for only One Position. To be eligible for nomination and/or to serve on the Board, the person or impersonal entity must not have a record fee simple ownership interest in a Unit which is part of the Development with another person or impersonal entity concurrently serving as a Director. Where two or more co-Owners concurrently seek election to the Board, only the first nomination will be effective.
- Criminal Conviction. The Mutual may disqualify a candidate or Director that discloses, or if the Mutual is aware or becomes aware of, a past criminal conviction that would, if the person was elected, either prevent the Mutual from purchasing the insurance required by Civil Code §5806 or terminate the Mutual's existing insurance coverage required by Civil Code §5806 as to that person. Each nominee, at the time of nomination, shall disclose the existence of any past criminal conviction, with sufficient details to allow the Board to determine whether the criminal conviction will prevent the Mutual from purchasing the required insurance coverage or result in the termination of such insurance coverage.
- Internal Dispute Resolution. Before any candidate for nomination or serving Director may be disqualified, the person or impersonal entity must be provided the opportunity to engage in internal dispute resolution as provided in the Davis- Stirling Act.

5.4.3 *Trusts*. If title is held in the name of one or more trustees, subject to a trust, a sole trustee or one of several trustees is permitted to be a candidate for a position on the Board or to serve on the Board subject to all qualifications and/or requirements of the Mutual's governing documents and/or the law. The designation of one of several trustees must be in writing with documentation confirming both the designation and the authority of the designator to do so.

5.5 Inspectors of Election

5.5.1 *Selection*.

- a. Process Prior to the date ballots are first sent out, the Board of Directors must, at an open meeting of the Board, select either one (1) or three (3) person(s) as Inspector(s) of Election
- b. Eligible Inspector(s) The Board may select as Inspector(s) of Election, any person or entity or subdivision of a business entity not currently employed or under contract to the Mutual. Eligible Inspectors include, but are not limited to:
 - i. Poll Workers. A volunteer poll worker with the County Registrar of Voters

- ii. Accountants. A licensee of the California Board of Accountancy, not under contract to the Mutual;
- iii. Notary Public. A notary public commissioned by the California Secretary of State;
- iv. Mutual Members. Members of the Mutual, but not: (i) members of the Board, (ii) candidates for the Board, (iii) persons related to a member of the Board, or (iv) persons related to a candidate for the Board;
- v. Professional Inspectors. Third-party persons or entities who provide professional election services who contract with the Mutual solely to serve as an Inspector of Election

5.5.2 *Duties.* Duties of Inspector(s) of Election include the following:

- a. Determine the number of Members entitled to vote and the voting power of each.
- b. Determine when the polls close, including any desired extensions of the voting period, and determine whether to reopen the polls to allow Members to cast ballots if the polls were previously closed, all consistent with the Mutual's other governing documents.
- c. Receive all ballots. Once received by an Inspector of Election, ballots are irrevocable.
- d. Receive and be the custodian of ballots, and direct the location to which ballots shall be sent until tabulated by the Inspector of Election.
- e. Hear and determine all challenges and questions in any way arising out of or in connection with the right to vote.
- f. Count and tabulate all votes.
- g. Appoint and oversee additional independent third parties to verify signatures, and to count and tabulate votes as the Inspector(s) of Election deem appropriate provided that such persons are independent third parties.
- h. Determine the tabulated results of the election.
- i. Perform all duties impartially, in good faith, to the best of the ability of the Inspector(s) of Election, as expeditiously as is practical, and in a manner that protects the interests of all Members of the Mutual. Any report made by the Inspector(s) of Election is prima facie evidence of the facts stated in the report.
- j. Perform any acts as may be proper to conduct the election with fairness to all Members in accordance with the Civil Code, the Corporations Code, the Mutual's governing documents, and all applicable rules of the Mutual regarding the conduct of the election that are not in conflict with the Civil Code.

5.5.3 *Removal.* The Board has the power to remove any Inspector(s) who cease(s) to meet the required qualifications, are unable or unwilling to

perform their duties, or for any other good reason, and to appoint one or more replacement inspectors.

5.6 Action by Ballot.

- 5.6.1 *Secret Ballots.* The use of secret ballots is only necessary when required by law. When secret ballots are not required by law, elections may be conducted by secret ballot, non- secret written ballot, or any other method permitted by law. Any action which may be taken at any meeting of Members may be taken without a meeting (except to count ballots, which can be done at either a membership meeting or a Board meeting) if the Mutual distributes a secret written ballot to every Member entitled to vote on the matter.
- 5.6.2 *Power of Attorney.* The Mutual cannot deny a ballot to a person with general power of attorney for a Member. The ballot of a person with a general power of attorney must be counted if timely returned.
- 5.6.3 *Pre-Ballot Notice.* For Director and recall elections only, at least thirty (30) days before the ballots are distributed, the Mutual must provide general notice (or individual notice to a Member who requested it) which includes
- a. The date, time, and physical address to mail or hand deliver ballots to the Inspector(s);
 - b. The date, time and location of the ballot counting meeting;
and
 - c. A list of candidates to appear on the ballots.
- 5.6.4 *Candidate List and Voter List.* The candidate list must include the name and address of individuals nominated as a candidate for election to the Board of Directors. The voter list must include name, voting power, and either the physical address of the voter's Unit, the parcel number, or both. The mailing address for the ballot shall be listed on the voter list if it differs from the physical address of the voter's Unit or if only the parcel number is *used*. The Mutual must retain, as Mutual election materials, both a candidate registration list and a voter list
- 5.6.5 *Verification of Lists.* The Mutual must permit Members to verify the accuracy of their individual information on the candidate registration list, if applicable, and the voter list at least 30 days before the ballots are distributed. The Mutual or Member must report any errors or omissions to either list to the Inspector(s) of Election who must make the corrections within two business days. Reports of any errors or omissions should be made early enough to allow for corrections to be made before the ballots are distributed.
- 5.6.6 *Ballot Package.* All secret ballots mailed or otherwise delivered to the membership must *include* a double-envelope system and voting instructions for completing and returning the secret ballots as provided for in the Davis-Stirling Act. Ballots seeking approval to amend or restate

governing documents must be delivered to the Members with the text of the proposed amendment. Ballot packages must be delivered to every Member entitled To vote at least thirty (30) days before the initial voting deadline.

- a. Secret Ballot – Generally. Secret ballots must be marked to indicate the Member’s selections, if any. Blank ballots will still count toward Quorum requirements. Secret ballots do not require a signature but are not invalidated by Member signatures.
 - b. Secret Ballot – Content. Ballots must: (i) set forth the proposed action; (ii) provide an opportunity to approve or disapprove each item submitted for a vote;
 - c. Set forth the number of ballots needed to satisfy the Quorum requirement, if any; (iv) specify the percentage of votes required to pass the proposal; (v) state a deadline by which the ballot must be returned to be counted; and (vi) in the case of a Director election, the candidates’ names identified in the pre-ballot notice.
 - d. Inner Envelope. The Mutual will provide two envelopes. To preserve secrecy, the secret ballot is to be placed within an inner envelope with no identifying information. However, extraneous information written on the inner envelope by a Member will not invalidate the ballot. The inner envelope containing the secret ballot is to be placed into a second outer envelope containing identifying information.
 - e. Outer Envelope. In the upper left-hand corner of the outer envelope containing a secret ballot, the voting Member must sign their name and indicate (print, type, etc.) their name and the address entitling the voter to vote. The outer envelope must be addressed to the Inspector(s) of Election.
 - f. Delivery. The completed outer envelope containing the inner envelope and ballot may be:
 - i. mailed by first-class mail to the address on the outer envelope or hand- delivered to the Inspector(s) of Election as specified on the pre-ballot notice or,
 - ii. where there is no pre-ballot notice, as specified in the voting instructions. Any member may request a receipt for delivery.
- 5.6.7 *Extended Voting Deadline.* The Inspector may reopen the polls and extend the voting deadline to allow additional balloting to achieve a quorum or to permit additional participation by the Members in an election when desirable or appropriate. If the voting deadline is extended, the Board is empowered to adjourn the ballot-counting meeting to a date at or beyond the extended voting deadline and Members who have not previously voted may do so up to the extended voting deadline.

5.6.8 *Election Rules.* At least thirty (30) days before the voting deadline, the Inspector(s) of Election must deliver, or cause to be delivered, the election operating rules to all Members. Such rules may be delivered: (1) by individual delivery (Civil Code §4040) or (2) by posting the rules on an internet website and including the website address (URL) on the ballot with the phrase, in at least 12-point font: The rules governing this election may be found here:

5.6.9 *Counting Ballots.* Inspector(s) of Election must oversee the opening and tabulating of all ballots before the membership at a properly noticed open meeting of the Board or membership as provided for in the Election Rules. No person is permitted to open or otherwise review any ballot prior to the time and place at which the ballots are opened and counted.

5.7 Post Election Results.

5.7.1 *Breaking a Tie.* In the event of a tie leaving the outcome of the election unresolved, the following will apply:

- The Inspector(s) of Election, and any designees, will immediately conduct a recount of the ballots. If there is a charge, the Mutual will bear the expense. Members may observe the recount under the same conditions as the original ballot counting.
- Following the immediate recount, if the tie remains, all other newly elected Directors will immediately begin serving their terms. An incumbent Director whose seat was tied will continue in office until a runoff election determines the winner for their seat. Only candidates who tied for the seat will be in the runoff.
- In lieu of a runoff and if the tied candidates agree, the winner may be decided by a coin toss or the drawing of names by the Inspector(s) of Election.

5.7.2 *Election Results.* The tabulated results of the election must be announced immediately after all the ballots have been counted. The tabulated results of the election must be promptly reported to the Board of Directors and must be recorded in the minutes of the next Board meeting. Within fifteen (15) days of the election, the Board must publicize the tabulated results of the election in a communication directed to all Members.

5.7.3 *Handling and Storage of Election Materials after the Election.* The sealed ballots, signed voter envelopes, voter list, and candidate registration list shall at all times be in the custody of the Inspector(s) of Election or at a location designated by the Inspector(s) until after the tabulation of the vote, and until the time allowed by Civil Code §5145 for challenging the election has expired, at which time custody must be transferred to the Mutual. The Mutual must maintain Mutual election materials for one year after the election.

5.7.4 *Election Recount or Other Challenge.* If there is a recount or other challenge to the election process, the Inspector(s) of Election shall, upon written request by the Board or a Member, make the ballots available for inspection and review by the requesting party or its authorized representative. Any recount shall be conducted in a manner that preserves the confidentiality of the vote. Election recounts, other than the automatic recount following a tie leaving the outcome of an election unresolved, will be conducted as follows:

- a. Any Member of the Mutual may demand a recount of the ballots provided: (i) demand is made in writing to the Inspector(s) of Election within five (5) days after the election results have been announced, and (ii) the Member pays in advance for the estimated cost of the recount, which estimate will be provided by the Inspector(s) of Election. Monies advanced by the Member must be refunded if the outcome of the election is changed by the recount.
- b. The recount must be commenced within seven (7) days of the request for the recount and must be done by or under the supervision of the Inspector(s) of Election. If any Inspector of Election declines to perform the recount, the Board may appoint a replacement Inspector of Election, using the criteria specified in these rules and the replacement Inspector will assume custody of the ballots.
- c. Any recount may be observed by Members of the Mutual. No election materials may be touched or handled by any person without the express consent of the Inspector(s) of Election and under the supervision of the Inspector(s). The results of the recount must be reported to the Board of Directors and must be recorded in the minutes of the next Board meeting and reported to the membership.
- d. The Board may request a recount on reasonable notice to the Inspector(s) of Election at any time before the legal right to challenge the election has expired to ensure a fair and accurate result.

5.8 Campaigning.

5.8.1 *Access to Media.*

a. Mutual Media.

Neither candidates nor Members may use the Mutual's newsletter, website, or any other Mutual media for campaign purposes.

b. Membership List.

Candidates and Members have the right to request a copy of the Mutual's membership list for the purposes of distributing, at their own expense, materials which advocate a point of view reasonably related to an election, or as otherwise permitted by Civil Code §4515. Candidates and Members also have the right to contact Members who have opted out of the membership list through the alternate means of

communication permitted under California Civil Code §5220 for the purposes of distributing, at their own expense, materials which advocate a point of view reasonably related to the election or as otherwise permitted by Civil Code §4515.

c. Exception.

If any candidate or Member advocating a point of view is provided access to Mutual media, newsletters, or internet websites during a campaign, for purposes that are reasonably related to that election, equal access shall be provided to all candidates and Members advocating a point of view, including those not endorsed by the Board, for purposes that are reasonably related to the election. The Mutual shall not edit or redact any content from these communications but may include a statement specifying that the candidate or Member, and not the Mutual, is responsible for that content. The Mutual and its Directors, officers, and agents are immune from liability for the content of those communications to the fullest extent provided by law.

5.8.2 *Use of Common Area During Election Campaign.*

a. Purpose.

Regarding *any* Mutual election, each candidate, Member, or resident is permitted to use, if available, the Mutual's common area at no cost for a purpose relating to Mutual elections as described in Civil Code §4515, including to advocate a point of view reasonably related to the election.

b. Reservation.

Each candidate, Member, or resident, who wants to use the common area pursuant to Civil Code §§4515 or 5105 must make a reservation in advance of the date and time requested. Such requests to use the common area are granted on a first-come, first-served basis, provided that the area is not already reserved. In order to assure fairness, each candidate may not reserve or use the common area for more than two (2) hours on any particular date. In addition, each candidate or Member is permitted to make only one (1) reservation per day to use the common area.

5.8.3 *No Use of Mutual Funds for Campaign Purposes.* Mutual funds may not be used for campaign purposes in connection with any Board election and may not be used for campaign purposes in connection with any other Mutual election except to the extent necessary to comply with duties of the Mutual imposed by law. The Mutual is not permitted to include the photograph or prominently feature the name of any candidate on a communication from the Mutual or its Board. Directors, in their capacities as Members, are permitted to advocate for the election or defeat of any issue or candidate on the ballot at their own expense and are not permitted to use Mutual funds for that purpose in any capacity.

5.8.4 *Improper Electioneering.*

a. Prohibited Activities.

In addition to any of the prohibitions under this Article, candidates, Members, and residents, including their tenants, families, employees, agents, visitors, and licensees, are prohibited from engaging in any of the following activities:

- i. Causing any printed campaign or other election-related materials to be placed upon or affixed to: (1) residents' vehicles, (2) common area walls, doors, or windows, (3) mailboxes or mailbox structures, or (4) any portion of the common area not expressly permitted in these rules without prior authorization from the Board or management;
- ii. Attempt to solicit a vote from another Member, or their power of attorney, through deceit, harassment, intimidation, improper influence, undue coercion, or force;
- iii. Attempt to prevent a Member from casting a vote through deceit, harassment, intimidation, improper influence, undue coercion, or force;
- iv. Interfere with the counting or tallying of votes;
- v. Solicit the vote of a Member while in that Member's immediate presence or residence and during the time they know the Member is voting;
- vi. Induce other Members to divert ballots away from the Inspector(s) of Elections; or
- vii. Interfere with any candidate's ability to distribute authorized campaign materials.

b. Report Violations

Members are encouraged to report any electioneering violations they witness to the Board or management.

c. Fines

The Board is permitted to levy a fine of up to \$100 for each violation of this section.

5.9 Canvassing and Petitioning.

5.9.1 *Generally.* Canvassing and petitioning the Members, the Board, and residents for purposes permitted in Civil Code §4515, by telephone and/or personal visits to private residences in the development, is limited to the daylight hours of 8:00 a.m. until 5:00p.m. However, any Member or resident who declines to be contacted on any issue, including for a purpose specified in Civil Code §4515, must not be contacted by telephone or personal visits thereafter.

5.9.2 *Impermissible Conduct.* Nothing in this section permits a Member or resident to contact another Member or resident in a manner that

constitutes: (1) a breach of the Member's or resident's quiet enjoyment or (2) a nuisance.

5.10 Distributing Information.

- 5.10.1 *Generally.* Reasonably distributing and circulating information for *any* purposes described by Civil Code §4515, is permitted and restricted as follows
- a. Members or residents may distribute or circulate printed information for purposes specified in Civil Code §4515 to other Members or residents by: (1) mail, (2) placing printed materials under front doors, front door mats, and/or behind screen doors, and/or (3) handing out printed material in the common area to Members and residents willing to accept such materials. The handing out of materials in the common area is limited to the daylight hours of 8:00 a.m. until 5:00p.m.
 - b. Members and residents may not cause any printed materials, including those for any purposes specified in Civil Code §4515, to be placed upon or affixed to (1) residents' vehicles, (2) common area walls, doors, or windows, (3) mail boxes or mail box structures, or (4) any portion of the common area not expressly permitted in these rules without prior authorization from the Board or management.
 - c. Members and residents distributing and circulating printed materials permitted in these rules, such as those left at front doors or in other permissible locations in the development, are responsible to collect and discard any such materials that remain uncollected after twenty-four (24) hours from distribution or circulation.

5.11 Petitions.

- 5.11.1 *Purpose.* The purpose of the petition for a membership meeting must be *set forth* in the petition so Members know what they are signing. Meetings may only be called for a proper purpose.
- 5.11.2 *Signatures.* Only Members may sign petitions. Signatures by persons not on title are invalid. The Mutual may validate signatures by comparing them against signatures on file with the Mutual or by contacting signers to verify their signatures. Any person on title to a property can sign on behalf of the property but it counts only once. For example, if there are ten owners on title for one unit, all of whom sign a petition, it counts as one signature, not ten.
- 5.11.3 *Invalidity of Signatures.* A petition can be rendered invalid if a sufficient number of signatures are found invalid or rescinded for good cause (such as fraud, mistake, undue influence, or other valid grounds for rescission), such that the number of remaining signatures falls below five percent (5%) of total voting power of the membership.
- 5.11.4 *Setting the Date.* The date of the special meeting for a recall must be set in the manner provided for in these Election Rules above and the law.

- 5.11.5 *Recall Petitions.* Recalls are not permitted to be started against the Board as a whole or any individual Director if: (a) the Board or Director has held office during the current term for less than ninety (90) days; (b) a recall election has been determined in the Board's or Director's favor within the last six (6) months; (c) for the recall of a Board, when an annual meeting will be held within six (6) months or less; (d) for the recall of individual Directors, when their term will end within six (6) months or less. Additionally, if a recall of the entire Board fails, a six (6)-month waiting period must be observed before recall petitions may be filed against individual Directors who served on that Board.

6.0 USE RESTRICTIONS

The following rules and policies supplement these use restrictions applicable to Owners and Residents set forth in the Declaration. If any of the rules or policies conflict with the provisions in the Declaration, the provisions in the Declaration take precedence.

- 6.1 Barbecues and Open Flame Devices. In addition to the rules set forth in California Fire Code section 308, the use of barbecues and other open flame devices within the confines of the Mutual are subject to the following restrictions and rules:
- 6.1.1 *Open Flame Devices*.
 - a. No charcoal or wood-burning barbecues are permitted to be used anywhere in the Mutual.
 - b. No open flame devices (other than a barbecue or other cooking device, together referred to as barbecues), including fire pits, smokers, tiki torches, hibachis, devices using sterno, etc., are allowed to be used anywhere.
 - 6.1.2 *Barbecues on Balconies*. Only electric barbecues may be used on any Balcony.
 - 6.1.3 *Propane-Fueled Barbecues*.
 - a. May be used as long as they are located more than ten (10) feet from any combustible construction.
 - b. When a permitted propane-fueled barbecue is being used, a fully charged A-B-C rated fire extinguisher must be available within five (5) feet and clearly visible.
 - 6.1.4 *Propane tanks*.
 - a. May not be stored within any Unit, garage or carport, and
 - b. The valve on the tank must be turned off when not in use.
 - 6.1.5 *Electric barbecues*.
 - a. May be used as long as they are located more than three (3) feet from any combustible construction,
 - b. Must be plugged into a Ground Fault Circuit Interrupter (GFCI) outlet and
 - c. When not in use, must remain unplugged.
 - 6.1.6 *Hours*. Permitted barbecues may only be used during reasonable hours.
 - 6.1.7 *Smoke*. Barbecue users must minimize smoke entering other Units or the Common Area.
 - 6.1.8 *Safety*. All allowed barbecues must:
 - a. Have a cover or lid that can close over the barbecue in case of a flare-up,
 - b. Never be left unattended, and
 - c. Be kept free of grease/fat buildup on the grill and pan.

6.1.9 *Clean Air Days.* No barbecue may be used on Spare the Air or Red Flag days.

6.2 Commercial Activities.

6.2.1 *Residential Use Only.* Units shall be used for residential purposes, and all professional, commercial, or industrial operation of any kind within any Unit or the Common Area is prohibited.

6.2.2 *Home Office.* Notwithstanding this rule, Owners and Residents may use any portion of the Unit as an office, provided that the primary use of the Unit is as a residence. However, no visible, outward indications that such activity is taking place are permitted.

6.2.3 *Visible Outward Indications.* Prohibited visible, outward indications include, but are not limited to

- a. Excessive packages and/or deliveries,
- b. Customers, clients or patients visiting the Unit, and,
- c. Signage or distribution of business advertising in connection with home office use

6.3 Decks, Patios, and Roofs.

To preserve appearances and prevent damage to open decks, and for safety reasons, Owners and Residents must refrain from placing electrical appliances on open decks or patios overnight, refrain from crowding or overloading decks, and refrain from overwatering plants on decks. Since patios and decks are exposed to public view, Residents must make a concerted effort to keep decks and patios neat.

6.3.1 *Unsightly Objects.* No unsightly objects (including, but not limited to, laundry, mops, appliances, and bicycles) are permitted to be placed or stored on open decks or patios where they may be seen by other Residents or by the public in general. Owners and Residents must keep their open decks or patios in a clean and sanitary condition and free of debris, trash, animal feces, and animal waste bags.

6.3.2 *Use of Electrical Appliances.* Electrical appliances that require access to electrical power overnight may not be placed on open decks or patios. Such appliances include, without limitation, refrigerators and freezers. Temporary connections for other electrical equipment, such as leaf blowers and barbecue spit motors, are permitted.

6.3.3 *Crowding of Decks, Patios, Stairways.* Objects, including potted plants, should not be placed where they will interfere with passage across stairways or impede access to handrails. There must be a clear passageway of at least three feet from the center of the plant's pot to the stairway's nearest handrail.

6.3.4 *Overwatering Plants on Decks.* Residents may not water their plants or use water on their open decks or patios in such a way as to cause water

to drip, spray, or flow onto the open deck, patio, or windows of another Unit. To the extent overwatering promotes or causes dry rot, the Owner will be held liable for repairs. All plant containers on decks must be placed in saucers or the equivalent large enough to prevent excess water from spilling onto decks or patios.

6.3.5 *No Objects on Roof.* No objects or structures of any kind or nature, including but not limited to flowers, plants, pots, shrubs or statues, may be placed upon any roof, garage or carport.

6.4 Estate and Garage Sales.

6.4.1 *Garage sales are prohibited.*

6.4.2 *Estate Sales.* Any Owner and Resident wishing to have an estate sale should contact the Security Office and review *The Rossmoor News* for the *guidelines* and Rossmoor entrance *forms* for estate sales.

6.5 Fireplace Flues.

6.5.1 *Flue Inspection and Cleaning* The maintenance of Unit fireplaces and their flues is the responsibility of the Owner. Creosote and resins are by-products of burning wood or other materials. If allowed to build up in fireplace flues they present a fire hazard. The U. S. Fire Administration recommends 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.

6.5.2 *Flue Inspection and Cleaning Upon Sale.* When a Unit is sold, the fireplaces and flues, regardless of use frequency, must have a Level 2 inspection by an inspector certified by the Chimney Safety Institute of America and the Fireplace Investigation and Research Education (F.I. R. E.). Necessary cleaning and repairs must be completed, and a Certified Notice of Completion must be given to Mutual Operations before the close of escrow.

6.5.3 *Red Flag/Spare the Air Days.* Burning wood or any other material in a fireplace on Spare the Air or Red Flag days is not allowed.

6.6 Garages and Carports. As set forth in the Declaration, each Unit is assigned up to two (2) Garages and/or up to two (2) Carport spaces.

6.6.1 *Use of Carports and Garages.*

- a. Carports and Garages are intended for the Owner or Resident to park their vehicles and golf carts.
- b. Nothing may be kept or stored in a Carport except a vehicle or golf cart. Certain exceptions may be made with written approval by the Board, for example, emergency supplies that are properly and neatly stored.

- c. Each Owner/Resident is solely responsible for ensuring that their vehicle and/or golf cart fits within the Owner's assigned Carport or Garage and does not extend beyond the physical dimensions of the Garage or Carport.
- 6.6.2 *Renting and Transfer of Parking Spaces.* No Carport or Garage may be sold by any Owner separate from the Unit. An Owner may rent or lease the Owner's Garage or Carport *but* only to a resident of Rossmoor.
- 6.6.3 *Wheel Bumpers.* Wheel bumpers are installed in Carports to protect the carport. Wheel bumpers may not be moved or removed by Owners or Residents. If an Owner or Resident moves or removes a wheel bumper, the costs of the reinstallation will be assessed against the responsible Owner.
- 6.6.4 *Non-Vehicular Use of Garages.* The parking space in each Garage must be used for parking the Owner/Resident's vehicles, except during the first six months after the beginning of occupancy. However, if an Owner/Resident also has a carport but only one vehicle, it may be parked in the Carport instead of the Garage.
- 6.6.5 *Flammables.* The storage of flammable liquids is prohibited except for solvents such as paint thinner or other volatile liquids smaller than one quart.
- 6.7 Mailboxes. If an Owner installs a new mailbox or mail slot after obtaining an alterations permit, the new mailbox or mail slot must comply with U.S. Postal Service standards.
- 6.8 Outside Drying and Laundering. No clothesline or drying rack may be erected, maintained or used in the exterior of the development except in an exclusive use common area. No item may be draped over fences, trees, deck or patio walls or railings.
- 6.9 Parking. Parking on named streets is subject to rules established by the GRF and is not controlled by the Mutual.
 - 6.9.1 *Parking.* Parking is subject to general rules governing what kinds of vehicles may be parked, where they may be parked, and the length of time they may be parked. Only passenger vehicles such as coupes, sedans, golf carts, vans, sport utility vehicles, and pickup trucks not wider than seven (7) feet and no longer than eighteen (18) feet may be parked in the Mutual. Trailers, campers, mobile homes, recreational vehicles larger than a standard pick up are not permitted
 - 6.9.2 Any vehicle parked on a Mutual road, parking space, driveway, or carport must be in a condition to be driven. However, any vehicle that presents a fire hazard or leaks oil may be excluded from parking, until the deficiencies are corrected, upon written notice by the Mutual President.

The Mutual President may also encourage owners of visibly damaged or unsightly vehicles to park the vehicles only in carports or garages.

- 6.9.3 *Parking on 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 eighteen (18) feet, or where suitable off-road parking is available. GRF vehicles and contractors' vehicles may be parked at the roadside, but only during working hours.
- 6.9.4 *Parking in Outdoor Spaces.* Marked outdoor parking spaces are owned by all of the Unit Owners in the Mutual as tenants in common. The use of parking spaces may be restricted by the Board by posting a sign in front of the restricted spaces.
- 6.9.5 *Unrestricted Parking Spaces.* Parking spaces that are not posted with a sign may be used by Owners/Residents, guests, invitees and visitors. However, Owners/Residents must use their garage and/or carport to store their vehicles before using non-posted parking spaces for this purpose except as allowed under these Rules.
- 6.9.6 *Visitor Parking.* Parking spaces posted Visitor Only or Guest Only are reserved for vehicles that are not owned by an Owner/Resident of a Unit but for persons visiting an Owner/Resident. Any vehicle parked for more than seventy-two (72) hours in Visitor Only or Guest Only is in violation of this Rule.
- 6.9.7 *Parking in Driveways.* No vehicle may be parked in a driveway where any part of the vehicle protrudes into the entry road, or interferes with opening a garage door, or interferes with access to a garbage enclosure or Unit entry. Vehicles that are not wider than seven (7) feet and not longer than eighteen (18) feet may be parked in driveways. No commercial vehicles may be parked in driveways overnight. GRF vehicles and contractors' vehicles that are not wider than seven (7) feet and not longer than eighteen (18) feet may be parked in driveways, but only during working hours.
- 6.9.8 *Parking in Carports.* Vehicles parked in carports must be contained wholly within the carport structure, with no part of the vehicle protruding into the entry road. Owners/Residents and, with the Owner's/Resident's permission, guests, invitees and visitors may park their vehicles in the carports at any time. GRF and contractors' vehicles may not be parked in carports.
- 6.9.9 *Parking in Garages.* Vehicles parked in garages must fit within the floor space. Owners/Residents and with their permission, guests, invitees, and visitors, may park their vehicles in the Owner's/Resident's assigned garage at any time. GRF and contractors' vehicles may not be parked in garages.

- 6.9.10 *Extended Parking.* Vehicles parked on entry roads or outdoor spaces or driveways continuously for more than seven (7) consecutive days may be considered abandoned and subject to removal. An Owner/Resident who takes notice of this should notify Securitas who will post a violation notice on the vehicle.
 - 6.9.11 *Authority to Tow.* So long as the requirements of California Vehicle Code Section 22658 or comparable superseding statute are met, any unauthorized vehicle or any vehicle parked in violation of the Mutual's Parking Rules may be towed to an appropriate storage facility. The Owner of the vehicle will be responsible for all towing and storage costs.
 - 6.9.12 *Monetary Penalties (Fines).* Any Owner/Resident of a Unit may be subject to a monetary penalty (fines) as provided in these Rules for any violation of a Mutual Parking Rule by an Owner/Resident or by an Owner's/Resident's family member, lessee, visitor, guest, invitee, contractor, or agent.
- 6.10 Pets.
- 6.10.1 *Number.* No more than two (2) dogs or two (2) cats may be kept in a Unit at any one time, subject to the restrictions set forth below. In addition, birds and aquatic animals kept in a cage or aquarium are permitted, provided they are not kept for commercial purposes or in unreasonable quantities. No animals or pets shall be raised, bred, maintained or kept for commercial purposes in a Unit or Common Area.
 - 6.10.2 *Leash Rule.* Dogs must be restrained on a leash held by a responsible person capable of controlling it at all times within the Common Area. A dog park area is located adjacent to the Del Valle parking lot, where Owners and Residents may allow their dogs to run unleashed (but under their control).
 - 6.10.3 *Pen and Crates.* Pet pens and crates are not allowed in the Common Area, including on front entry porches and/or rear decks/patios. Welded wire fences matching the color of the wrought iron handrails and posts of no more than two feet in height are allowed within the boundaries of the front entry porches and/or rear decks/patios.
 - 6.10.4 *Sanitation Rules.* To prevent unsightly damage, Owners and Residents are responsible for cleaning up and removing any excrement and waste left by their pet(s) in any area of Rossmoor. The waste must not be disposed of in storm drains or other outside areas. Only garbage and landfill collection bins may be used for the disposal of pet waste.
 - 6.10.5 *Barking.* Owners and Residents must prevent excessive barking by their dog(s). Owners and Residents should be aware that dogs that are left alone may bark intermittently for hours.

- 6.10.6 *No Leaving Pets Unattended.* Owners and Residents may not tie up their pets outdoors and/or leave them unattended on their decks, balconies, or patios.
- 6.10.7 *Nuisance.* After a duly noticed hearing before the Board, the Board is authorized to prohibit the keeping of any animal which, in its opinion, constitutes a nuisance or physical threat to persons, other animals or property. Any animal that displays threatening behavior or attacks a person or animal may be immediately barred from the Common Area until a hearing can be held.
- 6.10.8 *Owner Responsibility.* An Owner shall be solely responsible and strictly liable to the Mutual and all other persons for any injury, damage, loss or expense (including attorney's fees), arising out of or resulting from the presence or conduct of an animal brought into or kept within Rossmoor by the Owner or the Owner's guests, invitees, tenants, or invitees.
- 6.10.9 *Wildlife.*
- a. Rossmoor is a haven for wildlife of many kinds, some benign, others, such as rats and gophers, less so. Our landscaping and the open areas surrounding Rossmoor provide a variety of food and shelter, all of which the wildlife requires. As a result, there is no need to put out additional food. In fact, both the 'desirable animals' and the 'undesirable animals' tend to enjoy the same food. The mix of undesirable animal life that scattered food will attract is not what we want in Rossmoor.
 - b. Owners and Residents may not scatter birdseed or feed turkeys, deer, or other wild, feral, or domestic animals within or in the Common Area. Doing so attracts rats, gophers, and other rodents.
 - c. Bird baths are prohibited.
 - d. Hummingbird feeders are allowed but may not drip sugary food on the ground or any building structure to prevent attracting ants.
- 6.11 Residents, Guests, and Occupancy.
- 6.11.1 *Registration.* All occupants of a Unit (including guests who stay for more than 21 days) must register at the Golden Rain Foundation Administration Office. The Golden Rain Foundation and the Mutual must acknowledge each registration.
- 6.11.2 *Occupants.* Each occupant of a Unit (other than a guest) must be a qualifying resident or a qualified permanent resident, a permitted health care resident (as defined in the Civil Code) or a designated occupant. These definitions are summarized below.
- 6.11.3 *Types of Residents/Occupants.*
- a. A qualifying resident or senior citizen means a person 55 years of age or older.

- b. A qualified permanent resident means a person who meets either of the following requirements:
 - i. 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, was 45 years of age or older, or was a spouse, co-habitant, or person providing primary physical or economic support to the Qualifying Resident or senior citizen; or
 - ii. is a disabled 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, provided that the care provided is substantial and includes either assistance with necessary daily activities or medical care, or both.
 - iii. 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, provided that the care provided is substantial in nature and includes either assistance with necessary daily activities or medical treatment, or both.
 - iv. Designated Occupant. A designated occupant is a senior citizen residing in a Unit 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 the Mutual and Golden Rain Foundation to the designated occupant. Appropriate forms for such transfer shall be approved and utilized by the Board. A person's status as a designated occupant shall end upon the death of the Owner or transfer of the title to the Unit.
 - v. Guests. No Guest may stay in a Unit for more than 75 days in any consecutive 12-month period.
 - vi. Occupancy Limitations. No more than two (2) persons per bedroom plus one additional person may reside in a Unit. For purposes of this rule, reside means to use or occupy any Unit for more than thirty (30) consecutive days and/or more than sixty (60) aggregate days, whether or not consecutive, in any one calendar year.

6.12 Signage. Signage means signs, flags, banners and posters.

6.12.1 *No Signage in Common Area*. Owners shall not post or display any Signage on or within any Common Area without the express written permission of the Board of Directors.

- 6.12.2 *Non-Commercial Signs.* Non-Commercial signs are any sign, flag, banner or poster not included in the definitions of Commercial Signs or Real Estate Signs.
- a. Commercial Signage means any signage advertising a business, product or service (except Real Estate Signs)
 - b. Commercial Signage is prohibited anywhere within the Common Area and those portions of a Unit and Exclusive Use Common Area visible from other Units or Common Areas, including Balconies, Decks, and Patios, unless expressly authorized in writing by the Board.
- 6.12.3 *Permitted Signage.* Owners may post or display noncommercial Signage on or in their own Unit(s) or their Exclusive Use Common Area (but not in or on any other Common Area), subject to the following:
- a. Materials.
Owners may not post or display signage made of lights, roofing, siding, paving materials, flora, balloons, or any other similar building, landscaping, or decorative component or include the painting of architectural surfaces.
 - b. Size.
Signs and posters more than nine (9) square feet in size are prohibited (except Real Estate Signs as stated below). Flags or banners more than fifteen (15) square feet in size are prohibited.
 - c. Number.
Owners may post or display no more than a total of two (2) signs, banners, or posters at any one time (except Real Estate Signs as stated below).
 - d. Duration.
Any signage may be posted or displayed for no more than a total of ninety (90) days in any given year.
 - e. View.
Signage may not obscure the view of any other Resident.
- 6.12.4 *Real Estate Signs.* Real Estate Signs are window signs indicating a particular Unit is for sale or lease. 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 or lease. The information on the sign will 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 (3) days of close of escrow, or lease of the Unit.
- 6.13 Storage Pods and Packing Containers. Storage Container means those containers that are dropped off for packing or unpacking of household goods, after which the container is removed.

- 6.13.1 *Duration.* Storage Containers may be parked on Mutual property for no more than 72 hours in accordance with this rule.
 - 6.13.2 *Process for Approval.* To allow delivery and removal of Storage Containers within the time frames set forth in this rule, the Owner/Resident should begin arrangements well in advance of the desired dates so that the storage container company is able to comply with the necessary delivery or removal dates.
 - 6.13.3 *Placement Request.* The Owner/Resident shall contact the Mutual President in writing, indicating the desired placement of a Storage Container within the Mutual. The Owner must provide the following details in this written request:
 - a. The name, phone number, and address of the Owner/Resident seeking approval
 - b. The name and phone number of the storage container company name
 - c. The proposed size; and
 - d. The proposed delivery and removal dates.
 - 6.13.4 *Placement Designation.* If approved, the President will designate a specific parking space within the Mutual for placement of the Storage Container and will communicate this approval in writing to the Owner/Resident, along with the agreed-upon dates for delivery and removal, not to exceed 72 hours.
 - 6.13.5 *Disapproval.* The Board may disapprove a Storage Container if:
 - a. There is insufficient guest parking;
 - b. The placement of the Storage Container would compromise vendor or emergency vehicle access; or
 - c. The Storage Container company has a history of failing to meet deadlines.
 - 6.13.6 *Placement of Cones.* Prior to delivery of the Storage Container to its destination within Rossmoor, the Owner/Resident must ensure that the approved parking space for the Storage Container is marked with cones.
 - 6.13.7 *Implementation by Securitas* The Mutual President will notify Securitas via email of the (1) approval, (2) delivery and removal dates, (3) street and entry number, and (4) the specific parking space for the delivery of the Storage Container.
 - 6.13.8 *Securitas* may not allow early admission of the Storage Container.
- 6.14 Smoke and Carbon Dioxide Alarms. The Uniform Building Code requires that each Unit have a smoke alarm in every bedroom and one in the connecting hall. Owners of Units having attached garages or containing fossil-fuel burning heaters, appliances or fireplaces are also responsible for installing carbon monoxide detectors/alarms as required by applicable law.

- 6.14.1 *Installation and Maintenance.* Smoke and carbon monoxide alarms are personal property of the Owner, and each Owner is responsible for their installation and maintenance. The Mutual recommends that smoke and carbon detector alarms be replaced every ten years. At the time of resale new dual sensor smoke alarms must be installed according to Code
- 6.14.2 *Responsibilities.* The Owners of each Unit are responsible to:
- a. Push the test button in each alarm at least once a month. If the alarm does not sound (or if an alarm beeps intermittently), notify MOD by calling 925-988-7650 or by emailing to workorder@rossmoor.com. If a new battery or alarm is needed, it will be replaced at the Owner's expense.
 - b. Vacuum the outside of each alarm at least once each year.
 - c. Not disconnect the battery in an alarm.
 - d. Replace smoke alarms every ten years.

The Mutual is not responsible for inoperative alarms as the Owner is responsible for the monthly tests, for cleaning the alarm exterior, and for having inoperative alarms or batteries replaced. Smoke alarms replaced by MOD will be the dual sensor type.

- 6.15 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 the Common Area without the written permission of the Board.
- 6.16 Trellises and Lattice. No trellises and lattices of any kind may be installed or constructed on any Common Area.
- 6.17 Window Coverings. Appropriate window coverings must be installed on windows and properly maintained at all times. The color of such window coverings must be in harmony with the exterior of the structure. No window may be covered by paint, aluminum foil, newspapers, bed sheets, cardboard, blankets, or other similar items.

7.0 RENTAL/LEASING

An Owner wishing to rent or lease the Owner's Unit should refer to the rental and leasing rules and requirements set forth in the Mutual's Declaration of Covenants, Conditions and Restrictions (CC&Rs), Article 5. The following is a summary of certain rules and requirements for renting/leasing a Unit.

- 7.1 Overall Cap on Rentals/Leasing. As permitted under Civil Code § 4741, the Mutual caps the number of Units that may be rented/leased at any time to twenty-five percent (25%) of the Units in the Mutual (i.e., 47 Units).
- 7.2 Rental/Lease Rules and Regulations.
- 7.2.1 Except as permitted in Section 5.14 of the CC&Rs, an Owner may not rent or lease less than the entire Unit and the Exclusive Use Common Area appurtenant to the Unit.
- 7.2.2 Each lease must be written on the Mutual 40 Lease Agreement form and approved in writing by the Mutual President (to whom the Board has delegated its approval authority).
- 7.2.3 The minimum rental/lease period is 31 days.
- 7.2.4 Tenants must meet all Mutual occupancy requirements as set forth in Article 4, Use Restrictions, in the CC&Rs.
- 7.2.5 Tenants must adhere to all applicable provisions of the Mutual's Governing Documents during their occupancy. The Mutual's Governing Documents are located on the Mutual's website at rossmoor.com/for-residents/mutuals go to Mutual 40/Useful Information.
- 7.2.6 Unauthorized rentals/leases, including lease extensions without approval, may subject the Owner to monetary penalties.
- 7.3 Rental/Lease Approval Process.
- 7.3.1 *Rental/Lease Cap.* Any Owner wishing to rent/lease their Unit must contact Member Records at mrd@rossmoor.com to verify that the current number of leases in Mutual 40 does not exceed the 25% rental/lease cap.
- 7.3.2 *Requests for permission* to rent/lease a Unit, along with Mutual 40's Lease Packet, are available through Member Records at the Administration Office in Gateway at 1001 Golden Rain Road, Walnut Creek. The Lease Packet contains all required forms for renting/leasing a Unit.
- 7.3.3 *Forms Completion.* The Owner and prospective tenant(s) must complete all the required forms and information provided in the Mutual 40 Lease Packet.
- 7.3.4 *Process Completion.* The Owner is responsible for returning the executed Lease Packet to Member Records, together with the specified payment for the Lease Processing Fee and the Golden Rain Foundation (GRF)

Facilities Usage Fee – as spelled out in the Lease Packet. Fees are payable to GRF. Forms should be completed and submitted not less than ten (10) days prior to the effective date of the Lease.

7.3.5 *Rental/Lease Approval.* All leases must be approved by the Mutual's President (to who the Board has delegated its approval authority). Any issues or concerns regarding the lease may be referred to the Mutual 40 Board for further discussion and consideration.

7.3.6 *Member Records Process.* Member Records completes processing the approved Lease and notifies the Owner. Tenant contact information will be added to the database so that the Public Safety Administration Office can administer an ID Card and RFID tags for the tenant.

7.4 Management of the Mutual's Available Rentals/Leases

7.4.1 *Waiting List.* If an Owner requests approval to rent/lease their Unit, and the maximum number of Units is already rented, the Owner's name will be placed on the Mutual's waiting list and the request processed on a first-come-first-served basis. Member Records is responsible for managing the list.

7.4.2 *Notification of Availability.* When a lease expires and the number of rentals drops below the 25% limit, the next Owner in line on the lease wait list will be notified by Member Records, in conjunction with the Mutual, and offered the option to submit a Lease Application.

7.4.3 *Rental/Lease Limits.* If the 25% rental cap has not been met, the Owner is entitled to rent/lease their Unit for not less than 31 days.

7.4.4 *Change in Tenants.* The Owner needs to complete a Lease Application and obtain the Mutual President's approval each time the Owner has a change in tenants.

7.4.5 *Lease Extension.* Extending the Lease of the same tenant(s) does not require a new application. However, the Owner and current tenant(s) must execute a Lease Extension Agreement, which is available through Member Records. The Owner is responsible for returning the executed Lease Extension Agreement, along with the Lease Extension Processing Fee and the Facilities Usage Fee for the Lease Extension made payable to GRF to Member Records. At the time the Lease Extension is approved, the tenant is responsible for going to the Public Safety Office to obtain an updated photo ID.

8.0 MAINTENANCE, REPAIR, AND REPLACEMENT

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Adopted 02/29/24

The Mutual, as a community association, is responsible for maintenance, repair, and replacement of components in the Common Area. This means the buildings as originally built and as upgraded by the Mutual and the landscaping as planted and as upgraded by the Mutual.

Owners are generally responsible for any grandfathered, approved, Owner-maintained garden area in compliance with Mutual No. 40's Owner-Initiated Alteration Policy. (Alterations Policy 9.0)

8.1 Responsibility Matrix.

To clarify whether the Mutual or the Owner is responsible for the maintenance, repair and replacement of any component of property located within the Mutual, see the Mutual No. 40 Maintenance Matrix (Matrix) posted on the Rossmoor website Mutual's website at rossmoor.com/for-residents/mutuals and go to Mutual 40/Useful Information. This Matrix lists the most common maintenance repairs that can occur in Units and indicates whether the Mutual or the Owner is responsible. **The Matrix is not a legal document and is only intended to be a guide.** It does not supersede the language of the recorded CC&Rs, including Article 6.0 (Maintenance, Repair and Replacement) of the CC&Rs. The CC&Rs contain substantial detail regarding maintenance, repair and replacement for all components. Not all components may be listed on the Matrix. A schematic of various plumbing configurations are also available on the Mutual website under the 'Useful Information' tab.

8.2 Owner Billables.

When damages to the Common Area or another Owner's Unit are due to the Owner's (or their tenant's, guest's, invitee's or visitor's) action or accident, defect or condition in the Owner's Unit, the cost of the repairs is the sole responsibility of the Owner. If the Owner does not promptly make any required repairs, the Mutual may request MOD or a third-party contractor to make the repairs, and the costs of such repairs will be billed to the Owner. After the repairs are completed, the Mutual or MOD will present the Owner with the date of completion, the Owner billable charges, and payment due date.

8.3 Exterior Repairs: Paint Touch-up.

Except for exterior touch up painting by Owners, as permitted below, external repairs and maintenance must be performed only by MOD staff or approved contractors, whether the costs are Mutual billable or Owner billable. Owners must not perform such work personally or engage other persons to perform such work.

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If an Owner initiates such work, the Owner will be liable for all costs of the work including costs of restoring or refinishing the work.

In order to assure proper preparation of exterior paints, all exterior painting must be carried out by MOD Staff or approved Contractors. An Owner wishing to purchase exterior paint for minor touch ups should contact MOD. The paint color, manufacturer and formula is maintained by MOD staff. The main number for MOD service requests is 925-988-7650.

9.0 OWNER-INITIATED ALTERATIONS – GENERAL

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Adopted 10/26/23

As provided in this Policy, an Owner-initiated alteration (including any modification, improvement or addition) to any building structure in the Mutual may require prior written approval (sometimes referred to as an alteration permit) from the Board and may also require a building permit from the City of Walnut Creek. General rules for Owner-initiated alterations are set forth in this Article 1, and additional rules for certain specific types of alterations are set forth in Article 2. Owners are responsible for repair, maintenance, and restoration costs resulting from failure to comply with the following alteration policies:

- 9.1 Alterations Within an Owner's Unit. Except for cosmetic changes, an Owner may not make any alterations in the interior of an Owner's Unit without the prior written approval of the Board. A permit from the City of Walnut Creek may also be required. Owners are advised to check with the Golden Rain Foundation (GRF)/Mutual Operations Department (MOD) to determine if the proposed alteration is cosmetic and what specific approvals and permits are required.
- 9.2 Alterations in Exclusive Use Common Areas. An Owner may not make any alterations in the Owner's Exclusive Use Common Area (EUCA) 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. Strict design and construction standards must be followed to eliminate water penetration into the building structure and to avoid costly repair of dry rot. A qualified design professional, including engineers and roofing/decking professionals, will 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 may also be required.
- 9.3 Alterations in the Common Area. Without the prior written approval of the Board, an Owner may not undertake any alteration, construction, or installation of any structure or equipment in the Common Area, including but not limited to patios, decks, fences, sidewalks, chairlifts, air conditioning/heating systems, or concrete slabs. An Owner also may not install any solar equipment, solar tube, skylight, lighting, camera (security or recording) or weather device on or in the Common Area roof without the prior written approval of the Board. An Owner may not make changes to any trees or other plants or any part of the Mutual's landscaping without prior written approval of the Board.

9.4 Approval Process. Guidelines and standards for alterations, and schedules of applicable permit fees and other charges are payable by the Owner, are available to be picked up at the Alterations and Resale Department office of MOD and are posted on [Rossmoor.com/For Residents/Resident Services/Alterations and Resales](http://Rossmoor.com/ForResidents/ResidentServices/AlterationsandResales).

9.4.1 *Owner's Application*. The Owner must present a scope of work and other supporting documentation to MOD's Alteration and Resale Department in order to start the alteration approval process. MOD will advise the applicant about the need for additional supporting documentation and permit fees and other charges payable by the Owner.

9.4.2 *MOD Review*. MOD will review all alteration applications and ensure that all supporting documents have been submitted before forwarding them to the Board for approval.

9.4.3 *Board Approval*. Board approval of an Owner's proposed alteration means approval by a majority vote of the full Board, or approval by a Mutual Director who has been expressly delegated and authorized by the Board to review and approve or disapprove alteration applications on behalf of the Board. The delegated Mutual Director may be the Chair of the Mutual's Alterations/Architectural Review Committee or, with respect to alterations related to landscaping, the Chair of the Mutual's Landscape Committee. If a delegated Mutual Director disapproves an Owner's proposed alteration, the Owner may appeal that disapproval decision to the full Board by submitting a written request to the Board for a hearing. After the hearing, the Board will make a final decision whether or not to approve the proposed alteration, and will provide a written notice to the Owner of its decision, which, in the case of a disapproval, will include an explanation of the reasons for the disapproval.

9.4.4 *City of Walnut Creek Permit*. 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.

9.4.5 *Alteration Permit*. After all the foregoing requirements have been met, all required approvals have been obtained, and the Owner has paid all applicable application and permit fees, MOD will issue a permit for the proposed alteration to the Owner. If conditions are imposed by the Board with respect to the proposed alteration, the permit will specify those conditions.

9.4.6 *Changes*. If the Owner makes changes to the proposed alteration, the change will promptly be brought to the attention of MOD for review by MOD and the Board. If a change is proposed after an alteration permit has been issued, it will be treated as a new application and subject to the full approval process.

9.4.7 *Completion of Alteration Work*. After receiving all required approvals and permits for a proposed alteration, the Owner will commence the work as

soon as reasonably practicable and will 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 will be done without obtaining a new written approval from the Board. All work must be performed in accordance with the MOD Working Guidelines. These guidelines are available to be picked up at the Alterations and Resales Office of MOD and are posted the Rossmoor website at rossmoor.com and go to Alterations and Resales.

- 9.5 Responsibility for Maintenance of Alterations. The Owner is responsible for maintaining approved alterations and is responsible for any damage or other impact an alteration has on the Common Area. Where maintenance of the Common Area by the Mutual or MOD involves disturbing an approved alteration, the alteration must be restored at the Owner's expense.
- 9.6 Unauthorized Alterations. If the Owner of a Unit makes an alteration without obtaining the required approvals and permits, upon notice of the Board, the Owner may be required to restore the Unit to the original condition prior to the unauthorized alteration.
- 9.7 Disclosure of Alteration Permits to Prospective Buyer. The Owner will disclose all alteration permits to any potential buyer of the altered property.
- 9.8 Resale Inspections and Buyer Alterations Meeting. An Owner shall notify the Mutual of any intended sale of the Owner's Unit at the time of listing the Unit for sale with a realtor, or advertising the Unit for sale, and in any event not later than 21 days before any intended transfer of title. The Mutual (or MOD on behalf of the Mutual) will inspect the Unit being offered for resale and any related Exclusive Use Common Area and adjacent Common Area, and review previously issued alteration permits. The Owner will pay a resale inspection fee as set forth in MOD's then current alteration and resale fee schedule, which is available from MOD and also posted on the rossmoor.com website. The Mutual will provide the Owner with an inspection report, and the Owner will be responsible for correcting any alteration-related violations or deficiencies at the Owner's sole expense prior to the transfer of title. Also prior to the transfer of title, the prospective buyer of a Unit will be required to attend a meeting with MOD to be informed about the Owner-initiated alteration policies of the Mutual and the alteration permit process.

9.9 Special Rules For Certain Owner-Initiated Alterations.

9.9.1 *Enclosures.* If an Owner applies for approval of an alteration permit to enclose an area beneath an open deck, the Mutual and MOD will inspect the deck above, and if needed, as a condition of approval, waterproofing the deck above will be at the expense of the applicant.

9.9.2 *Hose Bibs.* Hose bibs or drip irrigation systems placed, installed, or used on above grade balconies (for watering plants or for any other use) have led to dry rot problems and will not be authorized. Such unauthorized installations must be removed at the Owner's expense. Any dry rot resulting from such installations will be repaired at the expense of the Owner.

When a Unit is sold, previously approved hose bibs and drip irrigation systems on above-grade balconies must be removed at the Sellers' expense prior to close of escrow.

9.9.3 *Spas are not allowed.*

9.9.4 *Floor Coverings: Hard Surface Flooring.*

a. *New Flooring.*

Any installation of new flooring, including replacement of existing flooring, in any Unit will require the prior written approval of the Board, except that existing carpeting may be replaced with new carpeting without such approval.

b. *Flooring in Upper Units.*

In any Unit that is located above another Unit, hard surface flooring may be used only in the following areas of that upper Unit: front entry areas, kitchens, bathrooms, laundry/utility rooms and loft areas above the upper Unit's own garage. Hard surface flooring includes, but is not limited to, linoleum, vinyl, ceramic tile and hardwood flooring. All other areas of the upper Unit shall be covered with carpet and padding or other material that provides equivalent insulation against sound transmission to the Unit below. An Owner of an Upper Unit must disclose the Mutual's hard surface flooring policy to prospective buyers and incorporate the policy into any sales agreement.

c. *Flooring Installed in Violation of Policies.*

Any flooring installed in violation of these policies (including new flooring installed without the required approvals and hard surface flooring installed in violation of the policy in section 9.9.4) must be removed and replaced with carpet and padding, at the Owner's expense.

d. *Refinishing Hardwood Flooring.*

Due to potential health, safety and noise concerns, an Owner must obtain the advance written approval of the Board for any proposed refinishing of any hardwood flooring.

9.9.5 *Private Gardens.*

- a. Approval. Effective January 1, 2023, the Mutual will no longer approve applications for Owner-maintained gardens in the Common Area (private gardens). Owners with a valid, previously approved permit for a private garden will be allowed to retain the previously approved private garden subject to the following restrictions:
 - i. The garden must continue to blend with the Mutual's existing commercial landscape as interpreted by the Mutual President and Chair of the Mutual's Landscape Committee.
 - ii. Private gardens may not be extended beyond the landscape area previously approved.
 - iii. Irrigation may never be modified.
 - iv. Private gardens may not contain excessive statuary or other non-plant items, as interpreted by the Chair of the Mutual's Landscape Committee.
 - v. Private gardens must be attractive and well-maintained.
 - vi. Stepping stones are not allowed.
 - vii. Trees of any size are not allowed.
 - viii. Plants over two feet tall may not be within three feet of a building.
 - ix. Soil must be kept at least six inches below and away from any siding.
- b. Responsibility. Private gardens are the sole responsibility and expense of the Owner. Gardeners, painters and construction workers engaged by MOD or the Mutual are instructed to be careful with all plantings when working on a Mutual building, and the same is true for private garden plantings. However, should damage inadvertently occur, the contracted workers, MOD and the Mutual are not responsible for any damage or repair expense. Owners are responsible for moving plants in containers to avoid damage during construction, maintenance or painting.
- c. Permit Revocation. Private garden permits may be revoked for violation of these Policies, or upon justifiable complaint of another resident, or at the discretion of the Board. Complaints will be sent to the Owner in writing, and any corrective actions requested by the Board must be completed within 30 days. If corrective actions are not completed within the time allowed, the permit may be revoked and the Owner must restore the area, at the Owner's expense, to landscaping that is acceptable for Mutual maintenance. If the Owner refuses, the Mutual may request MOD or an outside contractor to do the work and the expense will be billed to the Owner. Owners may appeal these decisions by notifying the Board in writing to request a hearing. After the hearing, the Board will make a final decision and send a written notice to the Owner.

- d. **Removal at Time of Sale.** Private garden permits will be automatically revoked at the time of sale of the applicable Unit, and the Owner will be required to restore the garden area to Mutual standards (in effect at the time) before the close of escrow.

9.9.6 *Chairlifts.*

- a. **Written Proof.** All chairlift installations require written proof of medical necessity and prior written approval of the Board
- b. **Minimum Passage.** The Owner must provide a minimum twenty-two (22) inch clear passage on the stairway when the seat and platform are in the stored position.
- c. **Color.** Once installed, all electrical conduit and junction boxes must be painted to match or complement 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. To the extent possible, the color of the chairlift should match the predominant color of the building.
- d. **Care and Maintenance.** The Owner is responsible for the care and maintenance of the chairlift and associated components, and for any liability or expense caused by the installation, maintenance, and operation of the chairlift and associated components.
- e. **Removal.** Upon sale or transfer of the Unit, if the buyer or transferee does not wish to retain the chairlift, the Owner will, at Owner's sole expense, remove the chairlift and all associated wiring, patch all penetrations, and paint the applicable surfaces to return the staircase to the original condition.

- 9.10 Tree and Shrub Removal, Trimming and Planting. The Mutual will pay for necessary maintenance, such as replacing or trimming dangerous, dead, damaged, or unhealthy trees. All Owner requested tree removal, trimming and planting of new trees beyond necessary maintenance is billable to the Owner. Any Owner who wishes to have a tree removed or trimmed or a new tree planted should make a request to the Mutual Landscape Chairperson.

10.0 ELECTRIC POWER AND EQUIPMENT

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10.1 General.

- 10.1.1 *Technology* related to the use of electric power is changing rapidly (generation, storage, transportation, emergency backup, etc.). Therefore, Owners are advised to contact MOD or the Mutual for advice before initiating any project involving electric power not addressed in these Rules.
- 10.1.2 *Electrical outlets* within the Mutual supplied with electricity paid for by the Mutual (e.g. for street or entry sign lighting, irrigation, and outlets in stand-alone carports) may not be used by Owners/Residents to recharge Golf Carts or Electric Vehicles, or to power major appliances.
- 10.1.3 *Extension Cord.* The use of any extension cord from an electrical outlet in a Unit, Garage, or attached Carport to charge an Electric Vehicle or Golf Cart or to power a major appliance is strictly prohibited.
- 10.1.4 *Generators.* The use of a portable, gas-powered, electric generator within a Unit or Exclusive Use Common Area is forbidden. Connecting a portable generator to the Unit's internal wiring at any time is strictly prohibited. MOD may, from time to time, use external generators with prior Mutual approval.

10.2 Electric Loading.

- 10.2.1 *Circuit Loading.* The Owner is responsible for ensuring that the overall load on any given circuit in the Unit, Garage and attached Carport is below 80% of the rated capacity of the applicable circuit (breaker). For example, the overall continuous load on a standard 120-volt, 15 Amp circuit should not exceed 12 Amps. (NEC 2014 defines Continuous Load as a load where the maximum current is expected to continue for 3 hours or more.) If in doubt, the Owner should consult with a licensed contractor, or PGE, for advice.
- 10.2.2 *Sub-Panel Loading.* If additional circuits are authorized, then the overall continuous load (defined above) must not exceed 80% of the Unit's sub-panel rating or be limited to 80% by an automatic load management system. If these conditions cannot be met, then a dedicated circuit must be installed directly from the PG&E meter panel.

- 10.3 Electric Alteration Permits. An Alteration Permit from the Mutual as well as a City of Walnut Creek Permit is required before any electrical wiring, circuit breakers or sub-panels in an Owner's Unit or Garage or attached relocated, added to, or modified in any way. Replacing hardwired appliances, e.g., for an oven, water heater, etc., also requires such permits. Any permitted alteration to electrical wiring, circuit breakers or sub-panels must:

- a. be installed by a licensed and properly insured installer knowledgeable in the installation of an EVCS. The installer must be pre-qualified by MOD. Prior to installation, the installer must provide MOD with certificates of insurance confirming that the installer has in place the following insurance coverage, with the Owner/Applicant and the Mutual listed as additional insureds.
 - 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 \$1,000,000.
 - b. meet all applicable governmental and industry safety standards and local permitting requirements, and
 - c. be inspected and approved by the City of Walnut Creek before being put into operation.
- 10.4 Electrical Vehicle Charging Stations. These Electric Vehicle Charging Station (EVCS) Rules are intended to comply with California Civil Code §4745 allowing the installation of and/or use of an EVCS in an Owner's Exclusive Use Common Area Garage or Carport specifically designated for use by that Owner.
- 10.4.1 *Level 1 Chargers*. A Level 1 charger is a cord or charging system that typically comes with the vehicle during purchase, can be plugged into a standard 120 Volt, 15/20 Amp circuit wall outlet, and delivers an electrical current from the outlet to the vehicle via a connector. These types of chargers are typically used for standard electric golf carts but require a very long time to fully recharge an Electric Vehicle. A Level 1 charger may be added to an existing circuit if the conditions laid out in Section 10.2 are satisfied. If the conditions in Section 10.2 cannot be met, then a dedicated 120V, 20 Amp circuit must be installed to support the Level 1 charger, and an alteration permit and a City of Walnut Creek permit must be obtained for the added circuit. If a Level 1 charger is used to recharge a golf cart or EV, it must be placed on a secure non-flammable surface at least one foot from other objects. Owners/Residents must comply fully with the manufacturer's safety and use instructions, and Section 10.1 paragraphs 2) and 3) above. Level 1 chargers must be equipped with an overload fuse or circuit breaker.
- 10.4.2 *Level 2 Chargers*. A Level 2 charger delivers an electrical current from an outlet or hardwired unit to the vehicle via a connector. However, unlike Level 1 chargers, Level 2 chargers require a 220-240 Volt, 40/50 Amp circuit. If an Owner proposes to install a Level 2 EVCS in the Owner's Exclusive Use Common Area Garage or designated Carport, the rules set forth in Section 10.4.3 will apply.

10.4.3 *EVCS Requirements.*

- a. Required 08 for other Owner-initiated alterations, all of the following requirements must be satisfied, and information provided, before the EVCS permit application will be considered for approval:
 - i. Plans and specifications clearly indicating where the EVCS is to be located, the brand or manufacturer, technical specifications, manufacturers installation instructions, dimensions (height, weight, width, etc.) and structural requirements.
 - ii. The proposed location for the EVCS installation must be a location acceptable to the Mutual. If the EVCS is visible from the Common Area or Exclusive Use Common Area, the EVCS design must conform to the surrounding structure and environment, and be neat and attractive without exposed wiring or visible damage to surrounding improvements.
 - iii. When connecting an EVCS, it must be either hardwired or connected with a National Electrical Manufacturers Association (NEMA) standard alternating current outlet and plug.
 - iv. Identification of a qualified, licensed and insured contractor pre-qualified by MOD that the Owner has engaged or proposes to engage to perform the EVCS installation. Prior to installation, the contractor must provide MOD with certificates of insurance evidencing the insurance coverages set forth in Section 1.3(a) above.
 - v. A completed and fully executed EVCS Maintenance and Indemnity Agreement substantially in the form attached to this Rule binding the Owner/Applicant and all successor Owners to all the covenants and obligations provided therein,
 - vi. A certificate of insurance verifying that the Owner has liability insurance coverage.
- b. Responsibilities of Owner and Successive Owners.
 - i. The installation of the EVCS must be performed by a qualified, licensed and insured contractor meeting all of the requirements of the Alteration Permit or otherwise imposed by the Mutual.
 - ii. The installation and use of the EVCS must meet all applicable requirements established by state and local laws, utility providers and the Electric Vehicle manufacturer, and any other requirements set forth in the Alteration Permit or City of Walnut Creek permit for the EVCS.
 - iii. The Owner and successor Owners will be solely responsible for all costs for the installation, operation, maintenance, repair and replacement of the EVCS, for any damage to any Common Area, Exclusive Use Common Area or any Unit in the Mutual caused by such installation, operation, maintenance, repair or

- replacement, and for restoration of the Common Area, Exclusive Use Common Area or any Unit upon removal of the EVCS.
- iv. The Owner and successive Owners must maintain liability insurance coverage and provide evidence thereof to the Mutual upon request.
 - v. The Owner and successive Owners must pay for all electricity usage associated with the EVCS and will be responsible for the installation of a separate meter or hard wire of the EVCS back to the Owner's Unit's electrical meter to accommodate the EVCS. Mutual electrical outlets and metered electrical circuits charged to the Mutual may never be used to power the EVCS.
 - vi. The Owner and successor Owners must disclose to prospective buyers or other transferees of the Owner's Unit the existence of the EVCS and the obligations and responsibilities of the successor Owner under this Policy and Civil Code § 4745 and cause the successor Owner to sign the EVCS Maintenance and Indemnity Agreement. If the successor Owner does not accept responsibility for the EVCS by signing the EVCS Maintenance and Indemnity Agreement, then prior to the sale or transfer the Owner will be responsible for dismantling the EVCS at the Owner's expense.
- 10.5 Solar Energy Systems. The installation of solar panels necessitates the use of the Mutual's Common Area and is, therefore, covered in a separate Mutual policy.
- 10.6 Battery Energy Storage System. Battery packs or modules (aka power walls) can provide a method of maximizing the use of renewable energy and/or providing emergency power in the case of grid outages. If an Owner proposes to modify an existing or install a new battery energy storage system, the Owner must apply for and obtain an alteration permit from the Mutual and any required City of Walnut Creek permit, and any installation must comply with all applicable requirements established by the Mutual or by state and local laws, utility providers, and manufacturers. (See Appendix: Maintenance and Indemnity Agreement)

11 SOLAR ENERGY SYSTEMS

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As used in this Policy, a Solar Energy System is any solar collector or other solar energy device whose primary purpose is to provide for the collection, storage and distribution of solar energy (but not including battery storage systems). Usable Solar Space is the amount and location of space on a condominium building roof suitable for solar panel installations.

11.1 Solar Energy System Installations.

A Solar Energy System may be installed by Owners of a Unit in the Mutual only on the rooftop of the condominium building in which the Unit is located or a contiguous garage roof. The System may serve only a single Unit. No other Common Areas in the Mutual may be used for Solar Energy Systems installed by individual Unit Owners.

This Policy is intended to comply with Civil Code §§ 714, 714.1, and 4746. In the event of any conflict between any provision of this Policy and any applicable statute, the terms of the statute shall prevail and supersede any contrary provisions in this Policy.

11.2 Availability of Common Area Space for Individually Owned Solar Energy Systems

11.2.1 *Installation.* The installation of Solar Energy Systems in or on Common Area roofs is subject to a determination of Usable Solar Space, and allocation of Usable Solar Space to the number of Units in the condominium building. The Usable Solar Space shall be calculated by the licensed contractor or the contractor's registered salesperson who is knowledgeable regarding installation of the Solar Energy System in the building, and shall include a calculation of the square footage available for the Solar Energy System and a determination of the equitable allocation of roof space among all of the Units in the condominium building.

11.3 Tree/Shrub Pruning and Removal.

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 planted 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). In all other respects, pruning and removal needs shall be determined and performed by the landscape or tree experts engaged by the Mutual.

11.4 Permit Application and Approval Process.

The installation of a Solar Energy System on a condominium building rooftop results in the exclusive use of a portion of the Common Area by a member. The Mutual's regular Owner-initiated alteration permit rules and procedures shall apply, subject to the following modifications:

- 11.4.1 *Maintenance and Indemnity Agreement.* As a condition of approval of installation of any Solar Energy System within the Common Area, the Owner/Applicant shall execute a separate Maintenance and Indemnity Agreement, substantially in the form found in the EVCS Appendix
- a. acknowledging that the Owner(s) has read and understands this Policy;
 - b. representing and agreeing that the proposed Solar Energy System, and its installation, maintenance and use, shall comply fully with this Policy; and
 - c. 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, use or removal of the Solar Energy System.
- 11.4.2 *Notification to Neighbors.* As required by Civil Code § 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 certification will be completed on the form found in Appendix EVCS Agreement or copies of certified return letter receipts from the Post Office.
- 11.4.3 *Proof of \$1,000,000 Owner Liability Insurance Coverage.* The Owner/Applicant will include proof of having a homeowner liability insurance policy providing at least \$1,000,000 in coverage under the Applicant's homeowner liability insurance policy with the Mutual being listed as an additional insured party, with right to notice of cancellation. The Owner must advise the Mutual if the policy is canceled or not renewed. The Owner must continue to maintain this liability insurance coverage so long as the Solar Energy System remains in place and shall provide evidence of annual renewal to MOD.
- 11.4.4 *City of Walnut Creek Permits.* The Owner/Applicant shall provide satisfactory evidence of compliance with any permit or other requirements of the City of Walnut Creek.

11.4.5 *Permit Review and Approval.*

- a. The Alterations/Architectural Review Committee (the Committee) shall review the application for installation of a Solar Energy System to determine whether all of the items required on the Solar Installation Checklist Addendum found in the EVCS Appendix. The Committee may offer recommendations or impose reasonable restrictions on the proposed installation within limits prescribed in Civil Code §§ 714 and 714.1, but may not otherwise disapprove a permit application that complies with all provisions of this Policy unless there is no Usable Solar Space available for the System.
- b. The decision of the Committee on the application 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 § 714, a complete 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.

11.5 General Installation Requirements.

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

- 11.5.1 All installations of Solar Energy Systems shall be completed so as not to materially harm or damage any Common Area, Exclusive Common Area or Units in the Mutual or any other property of the Mutual, void any warranties held by the Mutual or other Owners and/or impair the integrity of any building or structure. The Owner/Applicant will be responsible for learning the status of the roof warranty from MOD and responsible for following MOD instructions to protect the warranty.
- 11.5.2 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 must be installed so that they do not hinder the repair or maintenance of any existing installations, (i.e. gutters, roof flashings, etc.). All Solar Energy Systems shall have non-glare panels installed flush to the roof except on flat roofs.
- 11.5.3 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. 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.
- 11.5.4 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.

- 11.5.5 All visible ancillary components, (i.e. conduit, surface-mounted boxes, etc.) must be installed as inconspicuously as possible and must blend aesthetically to the existing roof lines and exterior walls. Those ancillary components, such as conduits, plumbing and supports shall be painted to match the exterior of adjacent structures (unless such painting would void a manufacturer's warranty). Installation of such components shall not detract from or alter the appearance of any exterior portion of that structure which is adjacent to and/or visible from any door and/or window of the residence of a non-participant in the individually owned Solar Energy System when possible and as allowed by current Building Codes. This shall apply to residences within the structure on which the Solar Energy System is to be installed as well as residences within an immediately adjacent structure that have direct line of sight to such components.
- 11.5.6 Installation shall only be by a licensed and properly insured installer knowledgeable in the installation of Solar Energy Systems. These installers must be pre-qualified by MOD. Prior to installation, the installer must provide MOD with certificates of insurance confirming that the installer has in place the following insurance coverage, with the Mutual listed as an additional named insured:
- a. Worker's compensation with minimum coverage required by California law; and
 - b. Contractor's general liability (including completed operations) with policy limits of at least \$1,000,000.
- 11.6 Safety Requirements.
- 11.6.1 Solar Energy Systems shall be installed and secured in compliance with manufacturer's instructions and all applicable ordinances, regulations, and laws.
- 11.6.2 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.
- 11.6.3 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 and, where applicable, rules of the Public Utilities Commission regarding safety and reliability.

- 11.6.4 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.
- 11.6.5 Upon approving the installation of any Solar Energy System, the Alterations/Architectural Review Committee and the Mutual are entitled to rely upon the representation of the Owner/Applicant or the installer that the system fully complies with the safety criteria set forth in this Policy. Should the Committee 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. Such removal or modification shall be at the sole expense of the Owner/Applicant of the Solar Energy System.

11.7 Maintenance.

- 11.7.1 Owner/Applicant of a Solar Energy System shall be solely responsible for all associated costs related to the Solar Energy System, 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.
- 11.7.2 Owner/Applicant shall not permit their 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.
- 11.7.3 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.
- 11.7.4 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 shall be responsible, at their sole expense, for removing and reinstalling the System after the maintenance or repair is completed. Unless there is an emergency, notices to the Owner/Applicant regarding removal shall be in writing sent by certified mail at least 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.

11.8 Sale or Transfer of Owner's Unit.

Upon sale or transfer of an Owner/Applicant's interest in a Unit which has a permitted Solar Energy System, the buyer or transferee (as the case may be) shall assume in writing all of the Owner/Applicant's duties and responsibilities as outlined in this Policy and shall execute an additional Maintenance and Indemnity Agreement prior to close of escrow or other transfer of title. If a buyer or transferee does not agree in writing to assume the duties and responsibilities for the Solar Energy System or does not execute an additional Maintenance and Indemnity Agreement, then, prior to the sale or other transfer of the Unit, the Owner/Applicant must remove the Solar Energy System and restore the area where the Solar Energy System had been located, in accordance with the Removal Procedures set forth in EVCS Appendix and at the Owner's sole expense.

12 ASSESSMENT COLLECTIONS

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- 12.1 Assessments. Regular assessments, sometimes referred to as the coupon, are due on the first day of each month. Special assessments are due according to the terms of the special assessment imposed under the Mutual's CC&Rs.
- 12.1.1 *Delinquent Assessments*. Assessments are delinquent fifteen (15) days after they are due. A late charge of not to exceed 5% of the delinquent assessment, or \$10.00, whichever is greater, will be charged for each delinquent assessment, i.e., if payment is not received within fifteen (15) days of the due date. In addition, assessments delinquent for over thirty (30) days are subject to interest at ten percent (10%) per annum. Interest on all sums, including assessments, late charges, fees and costs of collection, and attorneys' fees will accrue from the time the delinquent assessment is thirty (30) days past due, and will continue to accrue on the unpaid balances until the account is paid in full.
- 12.1.2 *Member's Obligation to Pay Assessments and Charges*. Regular and special assessments, with late charges, fees and costs of collection, attorneys' fees, and interest, as determined under Civil Code §5650(b), are a debt of the owner of the separate interest (Member) when the assessment or other sums are levied. (Civil Code §5650(a).) Because these assessments and related charges constitute a personal obligation of each Member, the Mutual has a right to look to the Member, personally, to pay the debt and may pursue collection of that debt in a court action. If the Member is delinquent in the payment of assessment obligations and a lien is recorded against the Member's property, the Mutual may seek recovery of the delinquent assessment from the sale of the unit by foreclosure.
- a. Address for Overnight Payment. The Mutual's address for overnight payment of assessments is: Walnut Creek Mutual No. Forty, c/o MOD Accounting, 800 Rockview Drive, Walnut Creek, CA 94595, as disclosed annually in the Mutual's Annual Policy Statement.
 - b. Receipt of Payment. When a Member makes a payment, the Mutual will provide a receipt upon a Member's request.
 - c. Returned Checks. Returned checks are subject to a service fee in the same amount incurred by the Mutual.
- 12.1.3 *Notice of Assessment Lien*. When assessments become delinquent by over thirty days, the Mutual may send the Member a pre-lien letter giving notice of the delinquency and requesting immediate payment. The Board has the authority and discretion to turn the matter over to a collection company at any time and it is preferred that a collection

company prepare all documents related to pre-lien letters onward in the collection process.

- a. Cost to Prepare and Send. The Member will be charged the cost incurred by the Mutual for preparing and sending this letter. The amount will be specified in the pre-lien letter and/or the itemization sent with the letter.
- b. Service of Notice. Pre-lien letters will be sent by certified mail to the Member's unit address unless the Member provides the Mutual with a different mailing address. Notices must also be sent to a secondary address if so requested by the Member in writing.
- c. Contents of Notice. The pre-lien letter will include this information and any other information required by law:
 - i. A general description of the collection and lien enforcement procedures of the Mutual and the method of calculation of the amount claimed to be owed;
 - ii. A statement that the notified Member may inspect the Mutual's records under Civil Code §5205;
 - iii. A statement in 14-point boldface type (or capital letters if typed): **IMPORTANT NOTICE: IF YOUR SEPARATE INTEREST IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT COURT ACTION.**
 - iv. An itemized statement of the charges owed by the Member, including items on the statement which indicate any delinquent assessments, the fees and reasonable costs of collection, reasonable attorneys' fees, any late charges, and interest, if any;
 - v. A statement that the Member will not be liable to pay the charges, interest and costs of collection, if it is determined that the assessment was paid on time to the Mutual;
 - vi. A statement that the notified Member has a right to meet with the Board as provided in Civil Code §5665 and as described in Section 1.7(a), below;
 - vii. A statement that the Member may dispute the assessment debt by submitting a written request for dispute resolution to the Mutual under the Mutual's meet and confer program required by Civil Code §5900 et seq.; and
 - viii. A statement that the Member may request alternative dispute resolution with a neutral third party under Civil Code §5925 et seq. before the Mutual may initiate foreclosure against the Member's separate interest, except that binding arbitration will

not be available if the Mutual intends to initiate a judicial foreclosure.

- 12.1.4 *Application of Payments.* Any payments made by the owner of a separate interest (Member) toward a debt for a regular or special assessment and any late charges, reasonable fees and costs of collection, reasonable attorney's fees and interest will first be applied to the assessments owed, and, only after the assessments owed are paid in full will the payments be applied to the fees and costs of collection, attorney's fees, late charges, or interest. (Civil Code §5655.)
- 12.1.5 *Partial Payments.* If a delinquent Member makes partial payments, the collection process will continue until the delinquent Member pays all delinquent amounts in full, including any assessments, reasonable costs of collection, *reasonable* attorney's fees, late charges, and interest. Once all delinquencies in the account are paid in full, the Mutual will release the assessment lien.
- 12.1.6 *Member's Rights.* On receipt of the pre-lien letter described in Section 12.1.3c, the noticed Member has the following rights:
- a. *Payment Plan.* The noticed Member may submit a written request to meet with the Board to discuss a payment plan for the debt noticed. (Civil Code §5665.)
 - b. The Board will meet with the Member in executive session within 45 days of the postmark of the request, if the request is mailed within 15 days of the postmark of the notice of assessment lien, unless there is no regularly scheduled board meeting within that period, in which case the Board may designate a committee of one or more directors to meet with the Member.
 - c. Payment plan requests will be considered on a case-by-case basis, taking into account prior payment history, current delinquency, prior and existing payment plans and any other relevant factors. The Board reserves the right to decline a Member's request on any reasonable basis.
 - d. Payment plans may incorporate any assessments that accrue during the payment plan period. Additional late fees will not accrue during the payment plan period if the Member complies with the payment plan.
 - e. If a default on any payment plan occurs, the Mutual may resume its efforts to collect the delinquent assessments from the time prior to entering the payment plan.
 - f. Payment plans will not impede the Mutual's ability to record a lien on the Member's separate interest to secure payment of delinquent assessments.

- 12.1.7 *Meet and Confer Program.* The noticed Member may dispute the assessment debt by submitting a written request for dispute resolution to the Mutual under the Mutual's meet and confer program. If no policy has been adopted, then the following will apply under Civil Code §5915:
- a. The party may request the other party to meet and confer to resolve the dispute. The request will be in writing.
 - b. A Member of the Mutual may refuse a request to meet and confer. The Mutual may not refuse a request to meet and confer.
 - c. The Board must designate one director to meet and confer.
 - d. The parties will meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith to resolve the dispute.
 - e. The parties may be assisted by an attorney or another person at their own cost when conferring. A member intending to bring an attorney or another person to an IDR must inform the Mutual at least ten (10) days prior to the meeting or, if scheduled by mutual agreement on less than ten (10) days' notice, at the time the meeting date is agreed upon. The Mutual is represented by counsel. If a member brings an attorney or other person without the Mutual's prior knowledge, the IDR may be rescheduled to a later date to allow the Mutual to have its attorney or another representative present at the meeting.
 - f. A resolution of the dispute agreed to by the parties will be memorialized in writing and signed by the parties, including the Board designee on behalf of the Mutual.
 - g. An agreement reached by the parties in the meet and confer process will bind the parties and is judicially enforceable if signed by both parties and both these conditions are satisfied:
 - i. The agreement is not in conflict with law or the governing documents of the common interest development or Mutual.
 - ii. The agreement is consistent with the authority granted by the Board of Directors to its designee or the agreement is ratified by the Board.
 - h. A member of the Mutual may not be charged a fee to participate in IDR.
- 12.1.8 *Alternative Dispute Resolution.* The noticed Member may request alternative dispute resolution with a neutral third party under Civil Code §5925 *et seq.*
- 12.1.9 *Payment under Protest.* If a dispute exists between the owner of a separate interest (Member) and the Mutual regarding any disputed charge or sum levied by the Mutual, including, but not limited to, an

assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and the amount in dispute does not exceed the jurisdictional limits of the small claims court stated in Sections 116.220 and 116.221 of the Code of Civil Procedure, the owner of the separate interest (Member) may, besides pursuing dispute resolution under Civil Code §5925, et seq., pay under protest the disputed amount and all other amounts levied, including any fees and reasonable costs of collection, reasonable attorney's fees, late charges, and interest under Civil Code §5650(b), and commence an action in small claims court under Code of Civil Procedure §116.110, et seq.

- 12.1.10 *Mutual's Collection Rights.* The Mutual's debt collection procedures are:
- a. Delinquent Less Than \$1,800 and Fewer Than 12 Months. If the unpaid regular or special assessments are less than \$1,800 (not including any accelerated assessments, late charges, fees and costs of collection, attorney's fees, or interest) and fewer than twelve (12) months delinquent, the Mutual may attempt to collect or secure that debt in one or more of these ways:
 - i. If the delinquent assessments, late charges, interest, and all costs of collection, including attorney's fees, are not paid in full within thirty (30) days of the pre-lien notice, by recording a lien on the Member's separate interest.
 - ii. By filing a civil action in small claims court. If the Mutual proceeds by an action in small claims court, and prevails, it may enforce the judgment as permitted by law as provided in Code of Civil Procedure, §116.810, et seq. The amount that may be recovered in small claims court to collect upon a debt for delinquent assessments may not exceed the jurisdictional limits of the small claims court and will be the sum of the following:
 - The amount owed as of the date of filing the complaint in the small claims court proceeding.
 - In the discretion of the court, an additional amount to that described in subparagraph (1) equal to the amount owed for the period from the date the complaint is filed until satisfaction of the judgment, which total amount may include accruing unpaid assessments and any reasonable late charges, fees and costs of collection, attorney's fees, and interest, up to the jurisdictional limits of the small claims court.
 - By any other manner provided by law, except for judicial or nonjudicial foreclosure.
 - b. Delinquent at Least \$1,800 or More Than 12 Months. If the

unpaid regular or special assessments are delinquent at least \$1,800 (not including any accelerated assessments, late charges, fees and costs of collection, attorney's fees, or interest) and/or more than 12 months delinquent, the Mutual may attempt to collect or secure that debt in any of these ways:

- i. If the delinquent assessments, late charges, interest, and all costs of collection, including attorney's fees are not paid in full within thirty (30) days of the pre-lien notice, by recording a lien on the Member's separate interest and, if desired, initiating either judicial or nonjudicial foreclosure of the lien.
 - ii. Collect the delinquent assessments, late fees, interest, and all costs of collection, by filing a legal action in small claims court or superior court. An abstract of any judgment for the Mutual may be recorded and may affect the Member's credit.
 - iii. By any other manner provided by law.
- c. Board Decision to Record Lien. The decision to record a lien for delinquent assessments will be made only by the Board and may not be delegated to an agent of the Mutual. The Board will approve the decision by a majority vote of the directors in an open meeting. The Board will record the vote in the minutes of that meeting. (Civil Code §5673.)
- d. Fee Incurred to Prepare and Record Lien. The Member will be charged the actual cost the Mutual incurs for the preparation and recording of the lien. This amount includes the cost of releasing the lien upon verification of payment in full.
- e. Lien Contents. The recorded copy of the lien (notice of delinquent assessment) must include this information:
- The amount of the assessment and other sums imposed under Civil Code §5650(b);
 - A legal description of the Member's separate interest in the common interest development against which the assessment and other sums are levied;
 - The name of the record owner of that separate interest in the common interest development against which the lien is imposed;
- f. If the lien is to be enforced by nonjudicial foreclosure, the name and address of the trustee authorized by the Mutual to enforce the lien by sale.
- g. The itemized statement of the charges owed by the Member, as described in Civil Code §5660(b) will be recorded with the notice of delinquent assessment.

- The notice of delinquent assessment will be signed by the person designated in the Declaration or by the Mutual for that purpose, or if no one is designated, by the president of the Mutual.
- h. A copy of the recorded notice of delinquent assessment will be mailed by certified mail to every person whose name is shown as an owner of the separate interest in the Mutual's records, and the notice will be mailed by 10 calendar days after recordation.
- 12.1.11 *Release of Lien upon Payment.* Within 21 days of the payment of the sums specified in the notice of delinquent assessment, the Mutual will record or cause to be recorded in the office of the county recorder in which the notice of delinquent assessment is recorded a lien release or notice of rescission and provide the owner of the separate interest (Member) a copy of the lien release or notice that the delinquent assessment has been satisfied.
- 12.1.12 *Pursuit of Nonjudicial Foreclosure to Collect Assessments.* After the expiration of 30 days following recording a lien created under Civil Code §5675, the lien may be enforced in any manner permitted by law, including sale by the court, sale by the trustee designated in the notice of delinquent assessment, or sale by a trustee substituted under Civil Code §2934a. (Civil Code §5700(a).) Any sale by a trustee in a nonjudicial foreclosure must be conducted in accordance with Civil Code §§5710, 2924, 2924b, and 2924c, applicable to the exercise of powers of sale in mortgages or deed of trusts, and the fees of the trustee may not exceed the amounts prescribed in Civil Code §§ 5710(c)(1) and (c)(2), 2924c and 2924d. (Civil Code §5710.)
- 12.1.13 *Alternative of Pursuing Collection in a Small Claims Court Proceeding.* Instead of pursuing lien and foreclosure remedies, the Mutual may sue delinquent Members personally, or take a deed in lieu of foreclosure. (Civil Code §§ 5700(b) and 5720(b)(1) and (3).)
- 12.1.14 *Annual Notice to Members of Assessment and Assessment Collection Rules.* The Mutual will distribute its collection policy to each member no fewer than 30 days or more than 90 days immediately preceding the beginning of the Mutual's fiscal year.
- 12.1.15 Notice Required by Civil Code §5730.

NOTICE ASSESSMENTS AND FORECLOSURE

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

You may wish to consult a lawyer if you dispute an assessment.

12.2 Assessments and Foreclosure.

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure, or without court action, often referred to as nonjudicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or nonjudicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months delinquent, an association may use judicial or nonjudicial foreclosure subject to the conditions set forth in Article 3 (commencing with Section 5700) of Chapter 8 of Part 5 of Division 4 of the Civil Code. When using judicial or nonjudicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Civil Code §5700 - 5720, inclusive)

In a judicial or nonjudicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use nonjudicial foreclosure to collect fines or penalties, except for costs to repair common area damaged by a member or a member's guests, if the governing documents provide for this. (Civil Code §5725)

The association must comply with the requirements of Article 2 (commencing with Section 5650) of Chapter 8 of Part 5 of Division 4 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association. (Civil Code §5675)

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

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

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

12.3 Payments.

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

An owner may, but is not obligated to, pay under protest any disputed charge or sum levied by the association, including, but not limited to, an assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise.

An owner may dispute an assessment debt by submitting a written request for dispute resolution to the association as set forth in Article 2 (commencing with Civil Code §5900) of Chapter 10 of Part 5 of Division 4 of the Civil Code. In addition, an association may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 3 (commencing with Civil Code §5925) of Chapter 10 of Part 5 of Division 4 of the Civil Code, if so requested by the owner. Binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.

An owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. (Civil Code §5685)

12.4 Meetings and Payment Plans.

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

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

13 ENFORCEMENT

13.1 Enforcement Procedure.

- 13.1.1 *Report Violation.* Any Resident, Member, Director, manager or rules enforcement personnel claiming that a violation has occurred should report the violation to the Board of Directors or to the Mutual's manager, preferably in writing.
- 13.1.2 *Determination of Merit.* If an alleged violation is directly witnessed by a manager, the Mutual may immediately give notice to the Member responsible for the violation of a disciplinary hearing as appropriate under these rules. In all other cases, the Board must determine, in an executive session meeting, if the alleged violation has merit and, if so, give notice as provided in the next paragraph.
- 13.1.3 *Give Notice of Alleged Violation.* Following a determination of merit as specified above, the Mutual will send a Notice of Violation and Hearing stating the nature of the alleged violation(s), the provision(s) of the governing documents violated, and the Member's right to appear before the Board of Directors at a hearing in executive session on at least 10 days' notice by any means authorized under Civil Code §4040 for individual delivery, before imposing a monetary penalty (fine) and/or any other discipline. No courtesy notice or warning is required.
- 13.1.4 *Conduct Hearing in Executive Session.* All disciplinary hearings with the Board of Directors will be held in executive session. Executive session hearings may be held by video conference (e.g., Zoom) only, or in person, at the Board's discretion. The Member responsible for the alleged violation may be heard, orally or in writing, and may present evidence, including witness testimony and documents.

13.2 Disciplinary Hearing Procedure.

- 13.2.1 *Presentation and Consideration of Evidence.* The Board shall consider all evidence pertaining to the alleged violation which is presented before or at the hearing. Such evidence may include documentary evidence, witness testimony, and any other evidence the Board may consider relevant to its deliberations. There is no right to cross-examine witnesses or to be present for witness testimony of other parties. Formal rules of evidence will not apply and the Board will give whatever weight it feels appropriate to each piece of evidence.
- 13.2.2 *Take Action.* If the Member is found to have violated the governing documents, the Board may take any appropriate action allowed under the governing documents or the law, such as:
 - a. Sending a cease and desist letter;
 - b. Imposing one or more monetary penalties (fines);
 - c. Allowing the Member a reasonable period of time to correct any

ongoing violations, such as architectural or nuisance violations, and, in the Board's discretion, imposing daily

- d. fines which may automatically begin, without further notice or hearing, if the Member does not: (1) comply within the time allowed or (2) request and be granted additional time to comply;
- e. Correcting (or causing to be corrected) the violation. Then, after a further notice and hearing, imposing a reimbursement assessment upon the Member for the costs and expenses of doing so, including attorneys' fees, when allowed by law;
- f. Suspending membership privileges, such as recreational common area use rights (but not Member voting rights), effective no sooner than five (5) days after the notice of disciplinary action required by Civil Code §5855 (c) or any successor statute;
- g. Initiating Internal Dispute Resolution and/or Alternative Dispute Resolution in the manner provided by the Mutual's governing documents and the law;
- h. Seeking any legal remedy, including, without limitation, seeking a restraining order and/or injunctive relief, or imposing a lien and/or foreclosing on the Member's property, where allowed by law;
- i. Taking no disciplinary action when circumstances warrant. The justification for taking no further action in response to a violation must be noted in the executive session minutes and the Member's disciplinary file, if any.

13.2.3 *Give Notice of Decision.* The Member, but not the complaining party, must be notified of any disciplinary action taken by the Board of Directors within 15 days following the action. If no disciplinary action is taken, no notice to any party is required, but such notice may be given to any party if circumstances warrant and doing so does not violate the privacy of the alleged violator.

13.3 Monetary Penalty (Fine) Schedule and Policies. If the Board finds a violation of the governing documents, the violation will be subject to the following monetary penalties (fines):

13.3.1 *Violations which are not continuous.*

- a. For the first violation of a provision of the governing documents within any 12-month period, the responsible Member will be subject to a monetary penalty of up to \$100.
- b. For the second violation of the same provision of the governing documents within any 12-month period, the responsible Member will be subject to a monetary penalty of up to \$100.
- c. For the third or subsequent violation of the same provision of the governing documents within any 12-month period, the responsible Member will be subject to a monetary penalty of up to \$500.

- 13.3.2 *Continuous violations*, such as architectural, ongoing nuisance, rental violations, or otherwise:
 - a. Continuous violations will be considered a violation every day from the first day of the violation until remedied in full for at least 30 days.
 - b. Continuous violations are subject to a monetary penalty (fine) of up to \$50 per day for every day of the violation, whether consecutive or not, until the violation is remedied, subject to a maximum monetary penalty (fine) of \$1,500 per calendar month.
- 13.3.3 *Multiple violations*, whether non-continuous or continuous, may be addressed in one or more Notice(s) of Intent to Impose Discipline to the owner and may be the subject of and heard at one or more executive session hearing(s).
- 13.3.4 *Penalties and Reimbursement Assessments*. All monetary penalties (fines) and reimbursement assessments are due upon notice given and are delinquent 15 days after they become due.
- 13.4 Remedies. Unless prohibited by other governing documents, and when permitted by law, the Mutual may take legal action or correct, remedy or cure a violation, and seek a reimbursement assessment against the Member, or file a memorandum of costs or motion for attorneys' fees, to recover costs, expenses and attorneys' fees incurred by the Mutual.
- 13.5 Reimbursement Assessment. If a violation is found which causes the Mutual to incur a financial obligation or expense, then the Member responsible for the violation will be subject to a reimbursement assessment in the amount of the obligation or expense incurred by the Mutual after proper notice and a hearing to the extent allowed by law.
- 13.6 Liens on Fines; Prohibition Against Non-Judicial Foreclosure. A monetary penalty (fine) imposed by the Mutual as a disciplinary measure for failure of a Member to comply with the governing documents may be treated as and is hereby an assessment that may become a lien against the Member's separate interest, but such lien may not be enforced by the sale of the Member's interest under Civil Code §§ 2924, 2924b, and 2924c (non-judicial foreclosure).

14 INSURANCE

Page 1 of 1
Adopted 02/29/24

The Mutual's specific insurance obligations are contained in the Mutual's CC&R's Section 10.

15 EMERGENCIES

Page 1 of 1
Adopted 02/29/24

Help is available for residents in health and property emergencies. Residents should take the initiative to report 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). Residents should be aware that payments may be required for certain kinds of emergency help.

- 15.1 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.
- 15.2 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 situations 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.

**16 WORK SITE RULES FOR CONTRACTORS
AND SERVICE PROVIDERS**

Page 1 of 2
Adopted 02/29/24

These work rules apply to Owners and their contractors and other service providers, including but not limited to construction contractors and subcontractors, mobile dog groomers, carpet cleaners, and house cleaners, but not including personal health care providers. It is the responsibility of the Owner to make their contractor or service provider aware of and comply with these work rules.

- 16.1 Work hours are 8:00 am-4:30 pm Monday through Friday, excluding holidays. These work rules apply to Owners and their contractors and other service providers, including but not limited to construction contractors and subcontractors, mobile dog groomers, carpet cleaners, and house cleaners, but not including personal health care providers. It is the responsibility of the Owner to make their contractor or service provider aware of, and comply with, these work rules.
- 16.2 Notice. Except in the case of emergencies, building utilities (i.e., water, electricity) may not be interrupted without at least 24-hour written notice to affected Owners/Residents. Approximate outage times must be included in the notification. If any water shut off dislodges sediment in the lines of other Owners, causing water lines, aerators, or filters to clog or malfunction, the Owner or contractor must repair.
- 16.3 Noise. No loud or amplified sound or music may be played by the contractor or service provider at the job site that could be disturbing to other Residents. Owners should notify Residents in adjacent Units if there is going to be any excessive, unusual, or prolonged noise/jarring on walls, ceilings, and air spaces.
- 16.4 Parking. Contractor and service provider vehicles must be insured, may be parked in the Mutual only during normal work hours (8:00 am-4:30 pm) and never overnight, may not block garage doors, carports, trash enclosures or other parking spaces, and may not be parked in a fire lane (red curb area). Trailers must be removed from the Mutual every night and never left in a carport or other parking space.
- 16.5 Equipment and Materials. Except as approved in advance by the Board, no construction materials or equipment may be stored in any parking spaces or in any Common Area within the Mutual.
- 16.6 Trash Disposal. Walkways and stairways must be kept clear. Job sites must be cleaned, and broom swept daily. All construction waste outside of the Unit must

be removed at the end of each working day, and may not be discarded in any Mutual waste containers or trash enclosures or at the MOD recycling center.

- 16.7 Common Area. To avoid damage to the Common Area (including landscaping, building exteriors, sidewalks, driveways, etc.), contractors and service providers must protect all areas of potential impact, and remove any coverings and clean the affected Common Area daily. Construction materials and waste from cleaning tools shall not be deposited onto the landscaping, driveways or elsewhere where access to storm drains is possible. Any damage to the Common Area shall be repaired/replaced by the contractor or service provider in a timely fashion and to MOD's reasonable satisfaction. Should the contractor or service provider fail to make such repairs, the Mutual may make such repairs and the Owner shall reimburse the Mutual for the cost of such repairs.
- 16.8 Power. Contractors and service providers may not use Mutual-provided electricity from carports or Mutual electric outlets for work on behalf of a Resident. Only contractors or service providers engaged by the Mutual for projects benefiting the Mutual may use Mutual provided electricity or outlets.
- 16.9 Compliance. Contractors and service providers must comply with all applicable Mutual policies as well as all applicable federal, state, and local laws and regulations.
- 16.10 Permits. If work to be performed requires a City of Walnut Creek permit or an alteration permit from the Mutual, such work may not commence until any required permit has been approved and issued.

APPENDIX

Walnut Creek Mutual No. Forty

EVCS MAINTENANCE AND INDEMNITY AGREEMENT

Page 1 of 2

I/We (name)

Owner(s) of the condominium unit at (address)

Walnut Creek, CA 94595 (collectively, the Owner) in consideration of the approval by Walnut Creek Mutual No. Forty (the Mutual), a California nonprofit mutual benefit corporation, of my/our application to allow the installation of an Electric Vehicle Charging Station (EVCS) in the Exclusive Use Common Area Garage or Carport assigned to the following Unit located at

in the Mutual, I/we acknowledge that I/we have read the Mutual's EVCS rules (the Mutual's Rules), understand their contents and agree as follows:

1. The proposed EVCS shall be installed and maintained in full compliance with the Mutual's Rules and Alteration Permit # _____ (the Alteration Permit) issued by the Mutual for this installation and the Undersigned agree to comply with all terms and conditions set forth in the Mutual Rules and the Alteration Permit.
2. I/we shall indemnify and hold harmless the Mutual, 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 Maintenance and 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 the Alteration Permit.
3. The planned EVCS under the Alteration Permit shall be installed in the Exclusive Use Common Area Garage or assigned Carport referenced above, in the manner and location approved by the Mutual.
4. Should the Owner sell or transfer the Unit, the buyer or transferee shall accept in writing the obligations under this agreement and the Mutual Rules, and if the buyer or transferee does not, then the Undersigned agrees to remove the installation at its own cost and restore the Exclusive Use Common Area to its original condition in compliance with these Rules prior to any transfer of title to the Unit.

Rules and Policies of Mutual 40

5. Should the Owner fail to meet its obligation to defend and/or indemnify and save harmless in accordance with this agreement, then in such case Indemnitees shall have full right to defend, pay or settle said claim on their own behalf with or without notice to the Owner for all fees, costs and payments made or agreed to be paid to discharge said claim.
6. The Undersigned agree to pay all reasonable attorneys' fees of Indemnitees which they incur to enforce the Undersigned's obligations under this agreement.
7. This agreement shall be unlimited as to amount or duration and shall be binding upon and inure to the benefit of the parties, and their respective successors, assigns, personal agents and representatives.
8. This agreement may only be modified or amended with a written instrument signed by the Undersigned and the Mutual.

Dated: _____

Owner's Signature

Owner's Printed Name

Dated: _____

Owner's Signature

Owner's Printed Name

**Walnut Creek Mutual No. Forty
Solar Energy Systems**

MAINTENANCE AND INDEMNITY AGREEMENT

I/We (name)

Owner(s) of the condominium unit at (address)

Walnut Creek, CA 94595 (collectively, the Owner) in consideration of the approval of Walnut Creek Mutual No. Forty (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 the Mutual, I/we acknowledge that I/we have read the Mutual's Solar Energy System Policy (the Mutual's Rules), understand its contents and agree as follows:

1. The proposed solar energy system shall be installed and maintained in full compliance with the Mutual's Rules and Alteration Permit # _____ (the Alteration Permit) issued by the Mutual for this installation and the Undersigned agree to comply with all terms and conditions set forth in the Mutual Rules and the Alteration Permit.
2. I/we shall indemnify and hold harmless the Mutual, 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 Maintenance and 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 the Alteration Permit.
3. The planned solar energy system under the Alteration Permit shall be installed on the common-area roof of the building referenced above, in the manner and location approved by the Mutual, which roof is defined under the Declaration of Covenants, Conditions and Restrictions (CC&Rs) of the Mutual to be part of the Mutual's common area.
4. Should the Owner sell or transfer the Unit; the buyer or transferee shall accept in writing the obligations under this agreement and the Mutual Rules, and if the buyer or transferee does not, then the Undersigned agrees to remove the installation at its own cost and restore the common area to its original condition in compliance with

these Rules prior to any transfer of title to the Unit.

5. Should the Owner fail to meet its obligation to defend and/or indemnify and save harmless in accordance with this agreement, then in such case Indemnitees shall have full right to defend, pay or settle said claim on their own behalf with or without notice to the Owner for all fees, costs and payments made or agreed to be paid to discharge said claim.
6. The Undersigned agree to pay all reasonable attorneys' fees of Indemnitees which they incur to enforce the Undersigned's obligations under this agreement.
7. This agreement shall be unlimited as to amount or duration and shall be binding upon and inure to the benefit of the parties, and their respective successors, assigns, personal agents and representatives.
8. This agreement may only be modified or amended with a written instrument signed by the Undersigned and the Mutual.

Dated: _____

Owner's Signature

Owner's Printed Name

Dated: _____

Owner's Signature

Owner's Printed Name

**Walnut Creek Mutual Forty
Solar Energy Systems**

SOLAR INSTALLATION SYSTEM CHECKLIST

Page 1 of 1

Documents required to be attached to permit application:

Manufacturer's spec sheet of solar panels; only non-glare panels will be approved

1. Survey of usable solar roof area showing dimensions and placement of installation
2. Engineering drawings of proposed installation with placement of panels flush to roof as high as practical to roof ridge
3. Dimensioned plans showing location of the following
 - a. Solar panels
 - b. Routing of electrical/plumbing lines
 - c. Placement of sub-panels within Unit
4. Detailed engineering drawings showing roof penetrations for the following:
 - a. Electrical/plumbing lines and flashing
 - b. Attachment of panels
 - c. Method of affixing panel brackets and flashing to roof
5. Proof of Owner's liability insurance coverage, to be renewed annually
6. Proof of Installer's insurance coverage
7. Solar installation warranty; minimum 10-year warranty on installation workmanship
8. For roofs that have an existing warranty, written approval by Mutual's roofing contractor or roofing consultant of roof penetrations.
9. Final inspection checklist
 - a. 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).
 - b. Solar panels mounted flush with roof surface, with all rooftop installations blending into the roof color as much as possible.
10. Proof of Notification of Owners of condos in the same building

**Walnut Creek Mutual Forty
Solar Energy Systems**

SOLAR ENERGY SYSTEM REMOVAL

Page 1 of 1

When it is necessary to remove solar energy systems from Mutual 40 roof tops, the building structure must be returned to its pre-solar installation condition, as follows:

1. Owner shall obtain an alteration permit for removal. This assures that the work is done by a licensed roofing 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 40's Building Maintenance Manager.
4. If deemed necessary by Mutual 40, install new roofing system matching the pre-existing roofing design, although exact 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 40.
9. Satisfy all other requirements imposed by Mutual