

# **Fifth Walnut Creek Mutual**

## **Policies and Procedures**

**If this document contains any restriction based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, 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.**

Last updated: 11/20/15

05/17/19

## **Preface**

The Fifth Walnut Creek Mutual was part of the Third Walnut Creek Mutual (TWCM) until the middle of 2007. At that time, two Projects of the TWCM (Project 46 and Project 47) separated from the TWCM and formed the Fifth Walnut Creek Mutual (5WCM). To simplify management of the new Mutual, 5WCM adopted the Policies and Procedures used by TWCM with minimal modification – largely changing reference to TWCM to 5WCM.

The TWCM is very large. To facilitate management of the Mutual, TWCM is divided into Districts, each of which has a District Director. In the current 5WCM Policies and Procedure you will find reference to the District Director. This should be interpreted for the 5WCM to mean the President of the 5WCM. Reference to TWCM districts should be interpreted to mean the 5WCM.

In June 2012, Project 47 withdrew from the 5WCM. In the Policies and Procedures you will find references to "the affected Projects", "individual Projects", and "the Projects". Since the 5WCM now consists of only Project 46, these references should be interpreted to mean the 5WCM.

Reference is made in the 5WCM Policies and Procedures to the Architectural Control Committee. This committee is now known as the Alterations Committee.

## **Errata**

Policy 3 refers to bylaws Article III, paragraph 23. The correct paragraph is 28.

Policy 40, Appendix A – reference to bylaws Article III item 20 should be Article III item 23.

Policy 41 mentions that Appendix A contains forms and a checklist of documents and policies related to leasing manors. This material is not in Appendix A. Contact the President of the 5WCM if you need information concerning leasing your manor.

Policy 46 mentions a Board-approved schedule of Project-billable and Owner-billable charges that is set forth in Appendix A. This list is no longer part of the Appendix A supplementary information.

Policy 50 states that there is further information about self-insurance to cover uninsured losses in Appendix A. This information is not in Appendix A.

Policy 76 states that Appendix A contains a copy of Civil Code section 1354. This is not included in Appendix A.

## Fifth Walnut Creek Mutual

### 0.1.0 INTRODUCTION

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

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

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

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

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

The overall objectives of Fifth Walnut Creek Mutual are to:

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

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**APPENDIX**

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

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### 0.3.0 ABBREVIATIONS AND DEFINITIONS

#### I. POLITICAL

- A. *FIFTH WALNUT CREEK MUTUAL* (FIFTH MUTUAL, sometimes also called the Mutual) is a nonprofit mutual benefit corporation that functions solely as a community association for management of certain condominium projects in Rossmoor. FIFTH MUTUAL owns no real property.
- B. *Board* means Board of Directors of FIFTH WALNUT CREEK MUTUAL.
- C. *Golden Rain Foundation/managing agent* (GRF) is a nonprofit mutual benefit corporation that provides maintenance and administrative services as a *managing agent* by contract with certain Mutual corporations, including FIFTH WALNUT CREEK MUTUAL.

#### II. THE PROPERTIES

- A. A *condominium* as defined in Civil Code §1351(f) consists of an undivided interest in common in a portion of real property, coupled with a separate interest in space called a *unit*. Locally, these units are called "manors." In Project 31, for example, each owner has an undivided 1/48th interest in the common area of the Project, and a separate interest in a unit ("manor").
- B. A *condominium Project* as defined in Civil Code §1351(f) is a development consisting of condominiums. For example, Project 31 is a condominium Project consisting of 48 condominiums.
- C. A *unit* means elements of a condominium, as defined in Civil Code §1351(f), that are owned by the manor owner (separate interest) and are not owned in common with other manor owners (interest in common).

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

- ♦ The portion of the building, and the air space, contained within the boundaries of the unit (the boundaries, according to bylaws Article III, paragraph 23 are the exterior surfaces of the doors and windows and the interior surfaces of the perimeter walls, floors and ceilings).
- ♦ Under Article I of the Conditions, Covenants, and Restrictions "all doors and windows of a Unit and all fixtures and utility installations located within a Unit including without limitation hot water heaters, space heaters and kitchen, bathroom and lighting fixtures, and all air conditioning equipment serving a Unit, but outside of such Unit, shall be a part of each Unit, provided further that soffits and furred-down ceilings shall not be a part of such Unit."
- ♦ Note that the separate interest includes *interior wall paint* and includes *floor coverings* such as rugs, carpeting, tile, parquet or linoleum. The separate interest also includes *radiant heaters* in the ceilings.

*Continued*

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

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

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

What's Included in the *Common Area*

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

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

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

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

♦ Under Civil Code §1351(i)(1) the exclusive use common area includes (unless the declaration provides otherwise) shutters, awnings, window boxes, doorstops, stoops, porches, balconies, patios, exterior doors, door frames, hardware incident thereto, screens and windows or other fixtures designed to serve a separate interest, but located outside the boundaries of the separate interest.

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

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

### III. OWNERSHIP

- A. *Designated occupant* means a *resident* (as defined below) other than an *owner*.
- B. *Owner* means anyone, including an estate or living trust, having title to a condominium in FIFTH WALNUT CREEK MUTUAL. The *owners*, whether or not they are also *residents*, are the voting members of FIFTH WALNUT CREEK MUTUAL. ①
- C. *Resident* means a person who occupies a "manor" for at least 60 days per year and is registered with the Golden Rain Foundation as an occupant. A *resident* may be an *owner*, or a lessee or other *designated occupant*. The *residents* are the voting members of Golden Rain Foundation. ①

### IV. FINANCIAL

- A. *Owner billable* means costs that will be charged to the owner of a unit for work specifically for the benefit of the owner, or to repair damage caused by negligence; for example, backing into the garage door. Common examples are repairs or improvements inside a unit and landscaping work for the benefit of one unit; for example, tree trimming to preserve or improve a view.
- B. *Project billable* means costs that will be charged to the entire Project and paid from Project operating funds or Project reserve funds.
- C. *Project operating funds* are Project reserve funds used to pay for such expenses as administration, insurance, landscape maintenance, non-scheduled building maintenance, utilities, and professional services.
- D. *Project reserve funds* are used to pay for such expenses as scheduled maintenance, repair, rehabilitation, and replacement of the major components of the Project.

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



0.4.0 CALENDAR OF EVENTS

EVENT	TIMING
Board Meetings (Regular)	Third Friday of January, March, May, July, September and November
Annual Meeting of Members	In June. At least 70 days before the meeting notify members of which director terms expire. Nominations for election of new directors close 49 days before the meeting. *
Budget Preparation Period	August through October
Budget Approval by Board	September regular meeting
Budget information to owners	By November 30
Coupon increase notice to owners	Between 30 and 60 days before the due date #
Coupons to owners	Not later than December 15
Annual review of Reserve Needs	During Budget preparation
Triennial study of reserve needs	During budget preparation
Audit reports to owners	Not later than April 30 <sup>th</sup> of the following year (April 29 in Leap years) # or within 30 days after completion (timing set in CC&Rs)

\* Timing set in Bylaws Article V, Section 2

# Timing set in Civil Code

Other timing is set by policy of the board

February 10, 2003

October 11, 2004

April 19, 2013

FIFTH WALNUT CREEK MUTUAL  
POLICIES AND PROCEDURES

CONFORMITY WITH LAWS  
AND LEGAL DOCUMENTS

10.0.0

1/1

January 13, 2000

1/1 [Policy 1.0.0]

March 11, 1996

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Date Issued

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10.0.0 CONFORMITY WITH LAWS AND LEGAL DOCUMENTS

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

- Agreements Establishing Covenants, Conditions, and Restrictions for each Project;
- Covenants, Conditions and Restrictions (CC&Rs) for each Project;
- FIFTH WALNUT CREEK MUTUAL Articles of Incorporation; or
- FIFTH WALNUT CREEK MUTUAL Bylaws.

The FIFTH WALNUT CREEK MUTUAL policies and procedures do not supersede any provision of these documents.

FIFTH WALNUT CREEK MUTUAL  
POLICIES AND PROCEDURES

COMPENSATION OF  
DIRECTORS PROHIBITED

11.0.0

1/1  
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January 13, 2000  
Date Issued

1/1 [Policy 2.0.0]  
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March 11, 1996  
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11.0.0 COMPENSATION OF DIRECTORS PROHIBITED

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

A director may be reimbursed for actual costs of goods and services purchased by the director for FIFTH WALNUT CREEK MUTUAL, subject to approval by the Board.

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12.0.0 OPINIONS OF BOARD MEMBERS

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

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

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

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

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FIFTH WALNUT CREEK MUTUAL  
POLICIES AND PROCEDURES

COMMERCIAL  
PRESENTATION LIMITS

13.0.0

1/1  
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1/1 [Policy 4.0.0]  
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13.0.0 COMMERCIAL PRESENTATION LIMITS

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

1. By FIFTH WALNUT CREEK MUTUAL's managing agent or by a Director, as background for a proposed course of action.
2. By a commercial representative, with specific approval by the Board in advance of the meeting.

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#### 14.0.0 COMMITTEES

The Board, on its own initiative or on recommendation by the President, appoints committees to assist the Board (Bylaws Article VII, Section 4) in an advisory capacity. The committees will include, but not be limited to, Budget and Finance, Emergency Preparedness, and Building Maintenance. Any member of the Mutual may serve on the advisory committees. The Treasurer will be the Chairperson of the Budget and Finance Committee. The Chairperson of the other committees may be designated by the Board, by the President, or may be selected by the committee members if not otherwise designated.

The Board shall also appoint an Alterations Committee to assist the Board with processing applications for owner-initiated alterations. The President shall be the Chairperson of the Alterations Committee. There will be two other committee members, at least one of whom must also be a Board member. The Board delegates to the Alterations Committee the power to approve suitable applications without referral to the full Board. All rejections and appeals will be referred to the full Board.

The objectives of each committee shall be stated in writing.

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

March 11, 1996  
January 13, 2000  
October 19, 2012

15.0.0 MEMBERSHIP APPLICATIONS AND CERTIFICATES

15.1.0 DELEGATION OF AUTHORITY TO ACCEPT MEMBERSHIP APPLICATIONS

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

15.2.0 ISSUANCE OF MEMBERSHIP CERTIFICATES

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

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① See Appendix A for a summary of these requirements.

## 16.0.0 FISCAL

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

### 16.1.0 COMPLIANCE WITH CIVIL CODE §13.65.5(a) [§5500 EFFECTIVE 1-1-14]

To comply with Civil Code §1365.5(a), the Board will review the following fiscal items. This will be accomplished by a report to the Board by the Treasurer.

- (1) A current reconciliation of the Mutual's operating accounts on at least a quarterly basis.
- (2) A current reconciliation of the Mutual's reserve accounts on at least a quarterly basis.
- (3) Review, on at least a quarterly basis, the current year's actual reserve revenues and expenses compared to the current year's budget.
- (4) The latest account statements prepared by the financial institutions where the Mutual has its operating and reserve accounts.
- (5) An income and expense statement for the Mutual's operating and reserve accounts on at least a quarterly basis.

### 16.2.0 INVESTMENTS AND BANK ACCOUNTS

Operating and Reserve funds shall be managed in separate, clearly identified accounts. Member's monthly fees are deposited into the Operating account. The portion of the fees that represents payment into the Reserves is then transferred to the Reserve account. All expenses are paid from the Operating account. Transfers are made from the Reserve account to the Operating account to cover those expenses that represent items payable from the Reserve account.

Investments shall be made so as to assure the accessibility of the funds and the safety of the principal.



Funds shall be invested in bank accounts and Certificates of Deposit that are insured by the U.S. Government or invested in U.S. Treasury securities. Interest income from all accounts shall be credited to the Replacement Reserve Fund. Income taxes on interest deposited to the Reserve account shall be paid from that account.

Banking expenses shall be paid from the Operating account.

**16.3.0 BOARD APPROVAL REQUIRED FOR ALL TRANSFERS OF RESERVE FUNDS TO OPERATING ACCOUNTS**

Transfers of reserve funds to operating funds are not permitted, except by order of the Board.

December 9, 2002  
September 8, 2003  
May 9, 2005  
July 10, 2006  
January 18, 2012  
September 20, 2013

#### 17.0.0 AUTHORITY TO SPEND RESERVE AND OPERATING FUNDS

The Board of Directors approves a budget for Operating Expenses and Reserve Expenses for the year.

The managing agent (MOD) is authorized to spend funds for work orders or contracts up to a value of \$200 without consulting the Mutual President. For work orders or contracts with an anticipated cost of \$200 to \$900, MOD must obtain approval from the Mutual President unless the work is of an emergency nature. All contracts and work orders anticipated to cost over \$900 must be approved by the Board. Once approved, the contracts may be signed by any Board member.

#### 17.1.0 RESERVE FUND EXPENDITURES

The Board adopts a reserve fund expenditure budget for items such as building maintenance, rehabilitation, and roofing each year after input from outside consultants and the managing agent.

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

Authority to spend reserve funds shall follow the guidelines in paragraph 17.0.0.

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

## 17.2.0 OPERATING FUND EXPENDITURES

The Board adopts an operating fund expenditure budget each year after input from the managing agent.

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

Budgeted expenses that rely on the use of part of the operating fund balance may be authorized only if the fund balance is sufficient.

Authority to spend funds from the Operating Fund shall follow the guidelines in paragraph 17.0.0. Operating expenditures include building maintenance, public works, and landscape maintenance.

The managing agent is also authorized to debit the operating account for the Mutual's utility bills, professional services bills, income taxes, and general and administrative expenses billable to the Mutual.

## 17.3.0 GENERAL LIMITATIONS ON CONTRACTS AND WORK ORDERS

To be approved without action by the entire Board, all contracts and work orders must be for expenses within the Mutual's budget limits and must be supported, where appropriate, by suitable scopes of work, specifications, and warranties.

Each contract or work order for reserve or operating fund work shall specify a dollar amount. Within budget limits, this dollar amount may be increased up to a total of \$900 with approval of the President. Contract and work order amounts at or above the \$900 level may be increased, within budget limits, up to 5% of the original amount with approval by the managing agent. Additional increases, within budget limits, require the signature of the President or Vice President. Budget limits may not be exceeded except by approval of the Board.

#### 17.4.0 EXERCISE OF THE PRESIDENT'S APPROVAL AUTHORITY

If the President will be absent from Rossmoor for a period of seven days or more, the President may delegate the authority to approve expenditures to another Board member. Alternatively, the President may exercise the approval authority by using e-mail.

#### 17.5.0 EXPENDITURES FOR EMERGENCY REPAIRS

The managing agent is authorized to approve expenditures for emergency repairs. Such expenses must be reported to the President at the earliest opportunity if the amount exceeds \$900.

#### 17.6.0 EXPENDITURES OF FUNDS IN EXCESS OF BUDGET LIMITS

Non-budgeted expenditures of fund balances may be permitted when there is urgent need. All such expenditures must be approved in advance by the President and reported to the Board. For purposes of this policy, a non-budgeted fund balance expenditure is any use of the year's beginning fund balance other than budgeted expenditures from that balance.

October 30, 2001  
October 11, 2004  
June 13, 2005  
April 19, 2013  
September 20, 2013

FIFTH WALNUT CREEK MUTUAL  
POLICIES AND PROCEDURES

ENFORCEMENT OF POLICIES

18.0.0

1/1

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18.0.0 ENFORCEMENT OF POLICIES

The Board will not enforce any policy that has not been promulgated among the members of FIFTH WALNUT CREEK MUTUAL.

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

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

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**19.0.0 DISTRIBUTION OF WRITTEN MATERIALS**

FIFTH WALNUT CREEK MUTUAL's written materials described below are available to all persons who have a corporate need to know the information, and are ordinarily distributed as indicated below.

□

TYPE OF MATERIAL	ORDINARY DISTRIBUTION	
	FIFTH WALNUT CREEK MUTUAL	GOLDEN RAIN FOUNDATION
◆ Minutes of regular board meetings	◆ Directors and officers ◆ FIFTH MUTUAL legal counsel	◆ Chief Executive Officer ◆ Director, Mutual Operations ②
◆ Recap of regular board meetings (board actions and directives, when produced)	◆ Directors and officers ◆ FIFTH MUTUAL legal counsel	◆ Director, Mutual Operations ②
◆ Minutes of executive sessions	◆ Directors and officers ◆ FIFTH MUTUAL legal counsel	②
◆ Confidential correspondence, documents or reports related to resident personal problems.	◆ Directors and officers	②
◆ Other correspondence or reports marked "confidential" by the originator	◆ Recipients specified by the originator	◆ Recipients specified by the originator
◆ Correspondence and reports produced by board services staff relating to FIFTH WALNUT CREEK MUTUAL matters	◆ Recipients specified by the originator	◆ Recipients specified by the originator
◆ Correspondence to and from legal counsel	◆ Directors and officers ◆ Recipients specified by the originator	◆ Recipients specified by the originator

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

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

FIFTH WALNUT CREEK MUTUAL  
POLICIES AND PROCEDURES

TERMINATION OF  
MEMBERSHIP IN FIFTH  
MUTUAL

21.0.0

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21.0.0 TERMINATION OF MEMBERSHIP IN FIFTH MUTUAL

The members of any Project, or Group of Projects, may terminate their memberships in FIFTH WALNUT CREEK MUTUAL pursuant to Article XIII of the bylaws by following procedures established by the Board.

These procedures are set forth in Appendix A.

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FIFTH WALNUT CREEK MUTUAL  
POLICIES AND PROCEDURES

ELECTIONS

22.0.0

1/4

March 30, 2007

NA

NA

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**22.0.0 ELECTIONS GENERALLY**

**22.0.1 SCOPE** Notwithstanding any other law or provision of the governing documents, elections regarding assessments legally requiring a vote by the affected Projects, election and removal of members of the association board of directors by vote of the members of the TWCM districts, certain amendments to the governing documents<sup>①</sup>, or the grant by vote of members of a Project of exclusive use of common area property pursuant to Civil Code Section 1363.07 shall be held by secret ballot in accordance with the procedures set forth below. Elections for other purposes may, at the discretion of the Board, be held at duly noticed meetings of the members or by mailed ballots pursuant to this section.

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

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

**22.0.4 VOTING RIGHTS** Each membership of record and in good standing is entitled to one vote in any election. A membership is in good standing, provided that as of the date for return of ballots the membership is not sixty (60) days or more delinquent in payment of monthly carrying charges, late fees, or charges by Golden Rain Foundation for owner-billable work.

**22.0.5 PROXIES** Any member in good standing may name a proxy to vote instead of the member on any matter that the member is entitled to vote upon in a meeting of members. Any

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

FIFTH WALNUT CREEK MUTUAL  
POLICIES AND PROCEDURES

ELECTIONS

22.0.0

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valid proxy shall be counted toward the quorum for a meeting of members. Proxy cards supplied by TWCM and submitted in connection with the annual meeting of the corporation are authentic, and shall be validated under direction by the Inspector(s) of Election. Any other proxy declarations offered in behalf of the members shall be authenticated and validated under direction by the Inspector(s) of Election. A ballot cast by proxy shall count toward formation of a quorum for deciding the matter at issue.

Any instruction given in a proxy that tells the proxyholder how to vote shall be set forth on a separate page of the proxy that can be detached and given to the proxyholder to retain. The proxyholder shall cast the member's vote at the meeting of members as directed by the member. The proxy may be revoked by the member prior to the receipt of the ballot by the Inspector(s) of Election as described in Section 7613 of the Corporations Code.

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

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

**22.1.0 INSPECTORS OF ELECTION**

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

**22.1.2 DUTIES** The Inspector(s) of Election shall:

- Determine the number of memberships entitled to vote and the voting power of each.
- Determine the authenticity, validity, and effect of proxies, if any.
- Receive ballots.
- Hear and determine all challenges and questions in any way arising out of or in connection with the right to vote.

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- Count and tabulate all votes.
- Determine when the polls shall close, consistent with the governing documents.
- Determine the tabulated results of the election.
- Perform any acts as may be proper to conduct the election with fairness to all members in accordance with this section, the Corporations Code, and all applicable rules of the association regarding the conduct of the election that are not in conflict with this section.
- Perform the Inspector(s) duties impartially, in good faith, to the best of the Inspector(s) ability, and as expeditiously as is practical. If there are three inspectors of election, the decision or act of a majority shall be effective in all respects as the decision or act of all. Any report made by the Inspector(s) of Election is prima facie evidence of the facts stated in the report

#### 22.2.0 PROCEDURES FOR SECRET BALLOTS

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

22.2.2 CUSTODY OF BALLOTS The sealed ballots at all times shall 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 Section 7527 of the Corporations Code for challenging the election has expired, at which time the Inspector(s) shall transfer custody to the association. No person, including a member of the association or an employee of the management company, or an Inspector or Inspectors of Election, shall open or otherwise review any ballot prior to the time and place at which the ballots are counted and tabulated. ② After the transfer of the ballots to the association, the ballots shall be stored by the association in a secure place for no less than one year after the date of the election.

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

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② If there is a recount or other challenge to the election process, the Inspector(s) of Election shall, upon written request, make the ballots available for inspection and review by an association member or his or her authorized representative. Any recount shall be conducted in a manner that preserves the confidentiality of the vote.

minutes of the next meeting of the board of directors and shall be available for review by members of the association. Within 15 days after the election, the board shall publicize the tabulated results of the election in a communication directed to all members.

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

**22.3.0 ELIGIBILITY FOR OFFICE OF DIRECTOR** Any eligible owner in good standing may become a candidate for election to the position of director of the TWCM district in which the member owns a condominium unit. An eligible owner means a natural person or, for owners that are not natural persons, representatives of the owners as of the record date, as follows: for a unit owned by a trust, a trustee; for a unit owned by a partnership, a partner, or for a unit owned by a corporation, an officer of the corporation.

**22.4.0 NOMINATING PROCEDURE** Any eligible member may be nominated for the office of director by timely submitting a petition to the Secretary of the corporation together with a personal statement of background and intentions. The petition may bear only the signature of the eligible member, or may bear additional signatures. If the additional signatures represent twenty percent (20%) or more of the units in the district, and the candidate is unopposed, no ballot will be issued for the position, and the candidate will be declared elected as of the date of counting the ballots. If fewer than twenty percent (20%) of the units sign the candidate's petition, or if there are two or more candidates for the same position, an election by mail ballot will take place.

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

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

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

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

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

Additional record retention specifics are set forth in Policy 23 Appendix A.

June 11, 2007  
October 19, 2012

FIFTH WALNUT CREEK MUTUAL  
POLICIES AND PROCEDURES

OCCUPANCY OF A MANOR

40.0.0

1/1

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40.0.0 OCCUPANCY OF A MANOR

All occupants of a manor (including guests who stay for more than 21 days) must register at the Golden Rain Foundation Administration Office. The Golden Rain Foundation and FIFTH WALNUT CREEK MUTUAL must acknowledge each registration.

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

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

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

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

1. Was residing with the qualifying resident or senior citizen prior to the death, hospitalization, or other prolonged absence of, or the dissolution of marriage with, the qualifying resident or senior citizen.
2. Was 45 years of age or older, or was a spouse, cohabitant, or person providing primary physical or economic support to the qualifying resident or senior citizen.

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

"Permitted health care resident" means a person hired to provide live-in, long-term, or terminal health care to a qualifying resident, or a family member of the qualifying resident providing that care.

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

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

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

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

#### 41.0.0 LEASING MANORS

Leasing (renting) is a process by which the owner of a condominium receives money or some other consideration in exchange for the right to occupy the owner's unit. Leasing is governed in part by:

- the Civil Code
- Project Agreements Establishing Covenants, Conditions, and Restrictions
- Project Covenants, Conditions, and Restrictions (CC&Rs)
- FIFTH WALNUT CREEK MUTUAL Bylaws
- Golden Rain Foundation Bylaws
- FIFTH WALNUT CRBEK MUTUAL Board policies and precedents.

Every proposed lease, lease extension, or lease renewal requires approval in writing by the Board. Leases are limited to a period of occupancy of one (1) year or less, unless the Board in its discretion approves a longer occupancy period. The Board also has discretionary authority - shared with Golden Rain Foundation ® to allow occupancy by more than two (2) persons in a 1-bedroom unit or more than three (3) persons in a 2-bedroom unit.

##### 41.1.0 BOARD POLICY

The following policies guide the Board in its exercise of discretionary authority over leases.

##### 41.1.1 Continuous Occupancy for More than One Year

The Board will not approve a proposed lease, lease extension, or lease renewal that will result in a continuous occupancy period in excess of one year except upon a showing of hardship to the owner.

The Board will refer the proposed lease, lease extension, or lease renewal to legal counsel for advice in case of doubt as to the showing of hardship or other circumstances, to avoid setting a precedent incompatible with the bylaws.

##### 41.1.2 Repetitive Short-Term Leases

The Board may approve repetitive short-term leases such as vacation rentals of furnished units, alternating with periods of owner occupancy and totaling not more than 6 months in any 12-month period.

##### 41.1.3 Additional Occupants

The Board may approve a proposed lease, lease extension, or lease renewal for occupancy by more than two (2) persons in a 1-bedroom unit and more than three (3) persons in a 2-bedroom unit, upon a satisfactory showing of need by the owner, subject to approval by the Golden Rain Foundation. Neither the Board nor the Foundation shall deny occupancy in contravention of the Civil Code.

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— FIFTH WALNUT CREEK MUTUAL Bylaws Article IV, Section 2.

- Project CC&Rs.

® Project Agreements Establishing Conditions, Covenants, and Restrictions.

41.2.0 PROCEDURES: LEASING APPLICATIONS

1. The owner or owner's agent obtains FIFTH WALNUT CREEK MUTUAL's *Request to Lease* and *Lease Agreement* forms from the Board Office.
2. The owner or owner's agent submits the completed forms to an authorized agent of FIFTH WALNUT CREEK MUTUAL.
  - A. If the proposed lease, lease extension, or lease renewal will result in continuous occupancy for a period in excess of one year, the owner or owner's agent must attach to the *Request to Lease* form the owner's written claim of hardship or written description of other circumstances to be considered by the Board.
  - B. If the proposed lease, lease extension, or lease renewal will involve occupancy by more than two (2) persons in a 1-bedroom unit or more than three (3) persons in a 2-bedroom unit, the owner or owner's agent must attach to the *Request to Lease* form the owner's written statement of need for the increased occupancy.
3. An authorized agent of FIFTH WALNUT CREEK MUTUAL evaluates the proposed lease for compliance with all applicable governing documents and policies, and recommends action by the Board. ⑤
4. The Board's action is entered on the *Request to Lease* form, the form is signed for the Board [and for Golden Rain Foundation where required] and the executed form is delivered to the owner or the owner's agent.

41.3.0 DELEGATION OF AUTHORITY FOR APPROVALS

The Board hereby delegates to the President and the Vice-President(s) ⑥ its authority to approve any proposed lease, lease extension, or lease renewal, except that the Board reserves the right to approve any lease, lease extension, or lease renewal that will result in -

- continuous occupancy by a lessee for a period of more than one year; or
- short-term occupancies totaling over six months in any 12-month period; or
- occupancy by more than two (2) persons in a 1-bedroom unit or three (3) persons in a 2-bedroom unit.

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See Appendix A for samples of these forms.

⑤ See Appendix A for a checklist of the documents and policies.

⑥ Bylaws Article XI, Section 5 allows for the execution of corporate documents by the President or a Vice-President, with prior authorization by the Board.



42.0.0 CARPORT, GARAGE, AND GOLF CART SPACES

42.1.0 Ownership, leasing, and transfers

Carport, garage, and golf cart spaces are:

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

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

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

42.2.0 Restrictions on storage of property other than vehicles in carports

The owner of a carport is responsible for assuring that nothing is kept or stored in the carport except a vehicle (or vehicles) and neatly stacked firewood, except as permitted otherwise by the Board.

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

42.3.0 Nonvehicular uses of carports

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

42.4.0 Nonvehicular uses of garages

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

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#### 43.0.0 PARKING ON NAMED STREETS (TRUST PROPERTY)

Parking on named streets is subject to rules established by the Golden Rain Foundation and is not controlled by FIFTH WALNUT CREEK MUTUAL.

#### 43.1.0 PARKING IN PROJECTS

Parking in Projects is subject to general rules governing what kinds of vehicles may be parked, where they may be parked, and times of the day they may be parked. Only passenger vehicles such as coupes, sedans, golf carts, vans, sport utility vehicles, and pickup trucks with or without camper shells may be parked overnight in the Projects.

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

#### 43.1.1. PARKING IN ENTRY ROADS

43.1.1.1 GENERAL RULE. Vehicles may be parked at the side of the entry roads except where the curb is painted red, and not opposite outdoor marked spaces, or opposite driveways, or opposite intersections, or in marked turnaround areas, or anywhere that the total width of the entry road (edge to edge) is less than 20 feet, or where suitable off-road parking is available.

43.1.1.2 OWNERS' AND GUESTS' VEHICLES. Owners' vehicles and guests' vehicles may be parked at the roadside day and night, provided, only vehicles that do not display commercial identification may be parked in entry roads overnight

43.1.1.3 GRF AND CONTRACTORS' VEHICLES. GRF vehicles and contractors' vehicles may be parked at the roadside, but only during working hours.

#### 43.1.2 PARKING IN OUTDOOR MARKED SPACES ("VISITOR PARKING SPACES")

43.1.2.1 GENERAL RULE. Visitor parking spaces are owned by all of the members in a Project as tenants in common. The members determine how the use of their visitor parking spaces by permitted vehicles during permitted hours is shared among them.

43.1.2.2 POSTING VISITOR PARKING SPACES. Restrictions on the use of a visitor parking space must be posted in the vicinity of the space, using signage approved by the District Director. A visitor parking space that is not posted shall be available for general use by residents and visitors.

43.1.2.3 OWNERS' AND GUESTS' VEHICLES. Subject to posted restrictions, owners' and guests' vehicles that are not wider than 7 feet and not longer than 18 feet may be parked in visitor spaces day and night.

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

FIFTH WALNUT CREEK MUTUAL  
POLICIES AND PROCEDURES

PARKING

43.0.0

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43.1.3 PARKING IN DRIVEWAYS

43.1.3.1 GENERAL RULE. No vehicle may be parked in a driveway where the vehicle would protrude into the entry road, or interfere with opening a garage door, or interfere with access to a garbage enclosure or manor entry.

43.1.3.2 OWNERS' AND GUESTS' VEHICLES. Owners' and guests' vehicles that are not wider than 7 feet and not longer than 18 feet may be parked in driveways day and night; provided, only vehicles that do not display commercial identification may be parked in driveways overnight.

43.1.3.3 GRF AND CONTRACTORS' VEHICLES. With the owner's permission, GRF vehicles and contractors' vehicles that are not wider than 7 feet and not longer than 18 feet may be parked in driveways, but only during working hours.

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

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

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

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#### 44.0.0 COMMERCIAL ACTIVITY RESTRICTIONS

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

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

1. Distribution of advertisements giving a Rossmoor address as a place where goods or services may be purchased.
2. Automobile or pedestrian traffic in or about the Rossmoor address, apparently from clients other than residents.
3. Deliveries of merchandise or office equipment to be used in such activities.
4. Presence of signs, posters or other paraphernalia indicating a business name or other business information on or about a manor, or on a vehicle, or elsewhere in the Rossmoor community.
5. Presence of full or part-time employees conducting business activities at a Rossmoor address, whether the employees are hired directly or through a labor contractor. (These provisions do not apply to employment of persons to assist living.)

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

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FIFTH WALNUT CREEK MUTUAL  
POLICIES AND PROCEDURES

ASSESSMENTS DUE DATE,  
DELINQUENT PAYMENTS,  
AND REFERRAL FOR  
COLLECTION

45.0.0

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

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

45.1.0 ASSESSMENTS INCLUDED

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

- a) The monthly carrying charge, as set forth in the Project Covenants, Conditions, and Restrictions (CC&Rs).
- b) Costs of common area construction and demolition performed in the Project.
- c) Charges for rebuilding in the Project after damage.
- d) Any special assessment imposed by FIFTH WALNUT CREEK MUTUAL or Golden Rain Foundation.

45.2.0 ASSESSMENTS DUE DATE

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

45.3.0 DELINQUENT PAYMENTS

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

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

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

45.4.0 REFERRAL FOR COLLECTION

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

FIFTH WALNUT CREEK MUTUAL  
POLICIES AND PROCEDURES

ASSESSMENTS DUE DATE,  
DELINQUENT PAYMENTS,  
AND REFERRAL FOR  
COLLECTION

45.0.0

2/2  
Page Number/Total Pages

September 12, 2005  
Date Issued

2/2  
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January 13, 2000  
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- ① A 15-day grace period is allowed by Civil Code §1366(d). This supersedes specifications in the Project CC&Rs.
  - ② Civil Code 1366(d)(2) permits a late charge of 10% of the delinquent payment or ten dollars (\$10), whichever is greater, unless the declaration specifies a late charge in a smaller amount. Under the Project CC&Rs the permitted late payment charge is 5% of the amount of the assessment. To reconcile these rules, the late payment charge is set at 5% of the delinquent assessment. The late fee may be waived if the owner arranges for direct payment of the coupon amount by a bank.
  - ③ Civil Code §1366(d)(3) allows interest to accrue beginning 30 days after the assessment due date. Civil Code §1366(d)(3) also sets the maximum interest at 12%, giving an exemption for homeowners associations from the general usury limit of 10% in the California Constitution. However, inasmuch as Golden Rain Foundation is not an association subject to the Civil Code, the interest limit on Golden Rain's portion of the assessment appears to be limited to 10%. Furthermore, the Project CC&Rs limit the interest rate to 10%. For these reasons, the interest rate is set at 10%.
  - ④ Other applicable charges may include, among other things, reasonable collection fees and attorney fees.
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FIFTH WALNUT CREEK MUTUAL  
POLICIES AND PROCEDURES

LIMITATION ON IMPOSITION  
OF FEES ON OWNERS

46.0.0

1/1  
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46.0.0 LIMITATION ON IMPOSITION OF FEES ON OWNERS

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

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

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47.0.0 EMERGENCIES - HEALTH AND PROPERTY

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

47.1.0 HEALTH EMERGENCIES

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

47.2.0 PROPERTY EMERGENCIES

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

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



#### 48.0.0 GENERAL MAINTENANCE AND REPAIR INFORMATION

FIFTH WALNUT CREEK MUTUAL, as a community association, is responsible for repairs, maintenance, and replacements in the common area of each of the Projects. This means the buildings as originally built and as upgraded, and the landscaping as planted by the developer and as upgraded. The owners are generally responsible for the condominium unit ( as defined in Policy 0.3.0) including any alterations and any appurtenant private garden area.

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

##### 48.1.0 ALLOCATION OF MAINTENANCE COSTS AND CERTAIN UPGRADING COSTS

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

###### 48.1.1 Project funds pay for:

1. All normal and necessary maintenance in the Projects' common areas, such as entryways, buildings, walkways, elevators, steps, bridges, landscaping, scheduled entry maintenance, and normal tree trimming.
2. Certain maintenance work in the unit including its exclusive use common areas, such as maintaining smoke detectors and painting exterior doors and air conditioners.
3. Costs of maintaining amenities such as swimming pools, fountains, decorative ponds, and laundry rooms.
4. Upgrades of facilities such as area lighting, sidewalks, and building and street signs, and for removing trees to reduce hazards to property or persons.

###### 48.1.2 The owner pays directly for:

1. Most costs of maintaining a unit including its exclusive use common areas.
2. Maintaining an appurtenant private garden and the cost of the eventual conversion back to common area.
3. Tree trimming or removal requested by the owner (and authorized in accordance with policy 56.0.0 on private gardens) when the owner's purpose is to preserve or improve the owner's view.

##### 48.2.0 ALLOCATION OF INITIAL VISIT AND OVERHEAD CHARGES

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

FIFTH WALNUT CREEK MUTUAL  
POLICIES AND PROCEDURES

GENERAL MAINTENANCE  
AND REPAIR INFORMATION

48.0.0

2/2  
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48.3.0 LIMITATIONS ON EXTERNAL REPAIRS AND MAINTENANCE BY OWNERS AND RESIDENTS.

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

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

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#### 49.0.0 INSPECTIONS

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

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

#### 49.1.0 RESERVE STUDY INSPECTIONS

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

#### 49.2.0 RESALE INSPECTION OF ALTERATIONS

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

The report of inspection shall be set forth in a format approved by FIFTH WALNUT CREEK MUTUAL.

#### 49.3.0 ADDITIONAL INSPECTIONS

FIFTH WALNUT CREEK MUTUAL does not conduct periodic interior inspections, but may inspect the exterior and interior of buildings, and inspect grounds, as needed for the purposes of maintenance.

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#### 50.0.0 INSURED AND UNINSURED LOSSES TO PROPERTY

FIFTH WALNUT CREEK MUTUAL's property insurance policy provides coverage (in amounts deemed prudent by the Board) for fire, flood, earthquake, and windstorm damage for all real property in the Projects. It does not provide protection for personal property or personal liability of owners and residents. Owners and residents who want to purchase insurance coverage for such things as movable items and personal belongings should seek advice from an insurance agent familiar with condominium living and specifically with Rossmoor and the insurance policies covering FIFTH WALNUT CREEK MUTUAL.

##### 50.1.0 REAL PROPERTY COVERAGE

FIFTH WALNUT CREEK MUTUAL's real property insurance coverage is provided by a special "all risk" property policy that insures the covered property for replacement cost value. It also includes provisions for removal of debris and reconstruction in compliance with current building codes. The property covered includes:

- Residential structures including manor buildings, carports and garages, and any other buildings or improvements within the common areas, such as laundry rooms.
- Approved structural alterations that have met the requirements of the Architectural Control Committee, FIFTH WALNUT CREEK MUTUAL, and the City of Walnut Creek.
- Originally installed built-in fixtures and appliances that are permanently affixed to the building structure, such as kitchen and bath cabinets, counter tops, commodes, curtain rods, tile, and floor and wall coverings. ① Any up-grades from original construction of the items just mentioned will be covered if the owner can verify their installation and value at the time of loss.

##### 50.2.0 REAL PROPERTY INSURANCE LIMITATIONS AND EXCLUSIONS

The coverage summary above is a general guideline. FIFTH WALNUT CREEK MUTUAL's real property insurance policy contains limitations and exclusions not detailed above. For more information, see Appendix A.

In general, according to insurance industry standards, losses caused by normal wear and tear, dry rot, termites, and other types of progressive damage are excluded. Losses caused by rain leaks are excluded, unless they result from wind-driven rain. Settling and cracking of walls, foundations, and pavement, and damage from soil movement or underground water are also excluded. And by inference, damage to structural alterations is excluded if the Architectural Control Committee, FIFTH WALNUT CREEK MUTUAL, and the City of Walnut Creek have not approved the alterations.

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① Note that wall, ceiling, and floor coverings, which are personal property to the condominium owner, are defined as real property for purposes of the fire, flood, earthquake, and windstorm insurance.

50.3.0 PAYING FOR UNINSURED LOSSES

50.3.1 Real property insurance deductibles. Real property insurance deductibles are self-insured by FIFTH WALNUT CREEK MUTUAL in behalf of the Projects, in cooperation with certain other mutual corporations in Rossmoor. Refer to Appendix A for further information about this self-insurance.

50.3.2 Losses to special-amenities common property. Each Project is solely responsible for uninsured losses to its special-amenities common property (such as ponds and swimming pools).

50.3.3 Losses to personal property in the common area. An owner or resident who places personal property in the common area, except in accord with an alteration agreement, assumes all risk of damage to that property.

50.3.4 Losses to personal property in a unit caused by a defect in the building structure. The Project may help cover uninsured losses to personal property when the damage is caused by a defect in the building structure (for example, damage caused by water entering through a leaky roof or a crack in a floor slab). The Project will share costs with the owner according to insurance industry standards. All such cost sharing shall be reported to the Board. Any proposed award to an owner in excess of the insurance industry standard amount shall be referred to the Board for approval before being paid.

As a general rule, the Project will share only the costs for repairing or replacing the property actually damaged, and not all undamaged, similar property in the manor. For example, if the covering on a wall is damaged, the Project will share the cost of replacing the covering on that wall, but not adjacent walls in the same room or elsewhere in the manor.

50.3.5 Losses due to negligence. When the Board determines that uninsured damage to a unit or a common area is due to negligence on the part of one or more owners, and that repairing the damage is necessary, the Board may cause the necessary work to be performed and assess the negligent owners for the cost.

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**51.0.0. OWNER-INITIATED ALTERATIONS GENERALLY**

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

**51.1.0 ALTERATION APPROVALS REQUIRED**

Owner-initiated alterations to a condominium property may require approval in advance by the Board's Alterations Committee, and the City of Walnut Creek.

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

- Alteration Permit Application Form
- Alteration Permit Procedures

**51.1.1 Board Approval Responsibility and Right To Inspect**

The Board is responsible for approving any owner-initiated alteration as to legality, effect on neighbors, and detailed structural design as it affects maintenance costs and building integrity. Effective August 31, 2007 FIFTH WALNUT CREEK MUTUAL requires resale inspections of alterations to manors. FIFTH WALNUT CREEK MUTUAL also retains a right to inspect as needed for preventive maintenance. If at any time FIFTH WALNUT CREEK MUTUAL discovers an alteration that has not been approved by the Board's Alterations Committee, or the City of Walnut Creek as required, FIFTH WALNUT CREEK MUTUAL will instruct the owners to obtain the required approvals or remove the alteration.

**51.1.2 Alterations Committee Approval Authority**

An Architectural Control Committee was established by the Rossmoor developers in the Agreements Establishing the Covenants, Conditions, & Restrictions, to control owner-initiated alterations to their manors, in order to maintain architectural conformity and harmony in Rossmoor. The Golden Rain Foundation Board of Directors delegated this function to FIFTH WALNUT CREEK MUTUAL, which charged its Alterations Committee with a duty to process and approve alteration permit requests, referring to the Board any request for which the committee recommends disapproval. Nearly every change in the common area, and the exclusive use common area, is subject to approval by the Board's Alterations Committee. (Refer to Policies 52-59 for examples of changes requiring approval by the committee.)

**51.1.3 City Of Walnut Creek Approval Authority**

City of Walnut Creek permits are required for any alteration involving work subject to the Uniform Building Code.

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

Except for cosmetic changes, alterations inside the unit (such as adding or changing hard-wired appliances, making openings in walls, or replacing water heaters, air conditioning units or heat pumps) normally require the same approvals (the Board's Alterations Committee, and the City of Walnut Creek) that are required for exterior alterations.

**51.3.0 CONSTRUCTION IN EXCLUSIVE USE COMMON AREAS**

In general, alterations in the exclusive use common area are subject to the same approvals (the Board's Alterations Committee, and the City of Walnut Creek) that are required for alterations in the common areas.

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

**51.4.0 CONSTRUCTION IN COMMON AREAS**

Owners must obtain written authorization from the Board's Alterations Committee and the City of Walnut Creek (where required) before undertaking construction, alteration, or permanent installation of such things as patios, decks, fences, sidewalks, stepping stones, and concrete slabs in the common area. ①

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

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

**51.5.0 UNIFORM REQUIREMENT FOR AS-BUILT DRAWINGS**

Contractors performing alteration work are required to submit "as-built" drawings to MOD upon completing the work.

**51.6.0 RESPONSIBILITY FOR MAINTENANCE OF ALTERATIONS**

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

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① An owner who wishes to place objects in the non-exclusive common area must follow these same procedures.

OWNER-INITIATED ALTERATIONS: AIR CONDITIONERS AND HEAT PUMPS	52
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**52.0.0. OWNER-INITIATED ALTERATIONS: AIR CONDITIONERS AND HEAT PUMPS**

Relocation or replacement of an air-conditioner unit or heat pump, requested by an owner, will be at the owner's expense. The owner must obtain an alteration permit before the work is started; provided, in an emergency the work may be started before issuance of the permit. Whether the work is done before or after issuance of a permit, the relocation or replacement shall meet all Mutual standards and comply with all applicable codes.

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53.0.0 OWNER-INITIATED ALTERATIONS: BALCONY AND ENTRYWAY FLOOR  
COVERINGS

An owner who wishes to install or replace a floor covering *on a balcony (deck)* must obtain an alteration permit before work is begun. Installations of coverings (such as sheet plastic and liquid-applied products) will be approved only if:

- incorporating an architect-approved "waterproof membrane,"
- installed according to architect-approved procedures by installers certified by the covering manufacturer; and
- applied with architect-approved adhesives.

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

An owner who wishes to install or replace a floor covering *over a walkway at the entryway to a manor, or over an elevated walkway or landing*, must obtain written approval by other owners who use the same walkway, entryway, or landing, and other owners who might be affected by the proposed alteration. The owner must also obtain an alteration permit before work is begun.

Tile coverings over concrete entry slabs may be permitted if the tile meets slip resistance standards and the installation does not compromise the stucco weep screed drain or the configuration of the adjacent stairway. Tile covering over entry landings may be permitted if the tile meets slip resistance standards and the installation includes the top tread of the stairway and does not compromise the configuration of the stairway. Because of repeated problems with leakage, tile coverings on balconies (decks) will not be approved.

54.0.0 OWNER-INITIATED ALTERATIONS: ENCLOSURES

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

FIFTH WALNUT CREEK MUTUAL  
POLICIES AND PROCEDURES

OWNER-INITIATED  
ALTERATIONS:  
HOSE BIBBS

55.0.0

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1/1 [Policy 30.0.0]  
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**55.0.0 OWNER-INITIATED ALTERATIONS: HOSE BIBBS**

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

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

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

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FIFTH WALNUT CREEK MUTUAL  
POLICIES AND PROCEDURES

OWNER-INITIATED  
ALTERATIONS: OWNER  
MAINTAINED GARDENS

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April 17, 2008

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January 17, 2008

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56.0.0 OWNER-INITIATED ALTERATIONS: OWNER MAINTAINED GARDENS

Previously permitted and properly maintained Owner Maintained Gardens may remain until resale of the permittee's unit. However, no new permits will be issued for Owner Maintained Gardens.

56.1.0 RESTRICTIONS

Previously permitted Owner Maintained Gardens are subject to the following restrictions:

The garden

- ☐ must blend with and be compatible with the existing commercial landscaping.
- ☐ may not *materially* ① extend the landscaped area or modify the irrigation.
- ☐ must not contain *excessive* ① statuary or other non-plant items.

The plants in the garden

- ☐ must not disturb sidewalks or building foundations.
- ☐ may not be attached to a building.
- ☐ may not direct irrigation water onto a building
- ☐ may not obscure the view of another resident

Plants over two feet tall are not allowed within three feet of a building.

Trellises are not allowed.

Soil must be kept at least two inches below any siding.

56.2.0 MAINTENANCE

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

If any owner modification of the landscaping or irrigation requires correction, *the correction* will be owner billable.

56.3.0 LANDSCAPE IMPROVEMENTS NOT REQUIRING A PERMIT

An owner or group of owners in the Mutual may wish, at their own expense, to improve the commercial landscaping. This is allowed without a permit as long as it does not *significantly* ② expand the landscaped area or *increase* maintenance expense. The procedure for doing this is set forth in part 56.7.0 below.

56.4.0 FENCES

Fences may be allowed if they do not encroach on common property. Anyone wishing to install a fence must apply for an alteration permit.

① Landscape Committee will interpret the *italicized* terms.

② Landscape Supervisor will interpret the *italicized* term.

FIFTH WALNUT CREEK MUTUAL  
POLICIES AND PROCEDURES

OWNER-INITIATED  
ALTERATIONS: OWNER  
MAINTAINED GARDENS

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**56.5.0 PERMIT REVOCATION**

Previously issued Owner Maintained Garden Permits may be revoked for violation of the restrictions in 56.1.0, or improper maintenance upon complaint of another resident or the Landscape Supervisor, and in any event at resale of the unit. Resident complaints should be directed to the Landscape Committee in writing. If the Landscape Committee determines that the complaint is valid the owner will be given written notice that the defect(s) must be corrected within sixty days at the owner's expense. If the owner refuses to correct the defect(s) the permit will be revoked and the owner must restore, at the owner's expense, the area to landscaping that is acceptable for Project maintenance. If an owner refuses to restore the landscaping MOD will do the work and bill the owner. Owners may appeal these decisions by writing the President asking for a Board review. The Board decision is final.

**56.6.0 RESALE RESTRICTIONS**

If upon resale inspection a manor is found to have an Owner Maintained Garden, the seller must restore, at the seller's expense, the garden to landscaping that is acceptable for Mutual maintenance. If this is not done before closing, funds will be put in escrow to cover the restoration expense.

**56.7.0 PROCEDURE TO MODIFY LANDSCAPING THAT DOES NOT REQUIRE A PERMIT**

If an owner or group of owners wishes to improve the existing landscaping, at their expense, in a manner acceptable to regular Project maintenance, they should contact the Landscape Supervisor. When the owner(s) and the Landscape Supervisor agree on the proposed modification the Supervisor will obtain a cost estimate from one of the landscape contractors servicing Rossmoor. If the owner(s) wish to use another contractor they must provide the contractor's license number and any insurance certificates required by FIFTH MUTUAL and GRF. When the owner(s), contractor and Landscape Supervisor are in agreement on the work to be done, the Landscape Supervisor will write the owners approving the improvements, with a copy to the Project Director and the FIFTH MUTUAL Landscape Committee.

Any financial arrangements will be between the owner(s) and the contractor, and it will be the owner's responsibility to see that the improvements are completed properly and paid for.

57.0.0 OWNER-INITIATED ALTERATIONS: SPAS

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

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

58.0.0 OWNER-INITIATED ALTERATIONS: STEPPING STONES

Placing stepping stones in common areas or exclusive use common areas by residents is an alteration that requires approval as to style and placement by the Board's Alterations Committee and the Board's Landscape Committee.

Approved stepping stones will not be considered encroachments where they improve access to the common area.

Stepping stones must have acceptable slip resistance, must not create trip hazards, and must be firmly installed so that they do not wobble.

Stepping stones for which there is no permit or which fail to meet the criteria above will be removed by the Mutual, after notice, unless the owner corrects the deficiencies.

**59.0.0 OWNER INITIATED ALTERATION: HARD SURFACE FLOORING**

All units may have linoleum, vinyl or ceramic tile in bathroom, kitchen, laundry and inside front entry only. All other floors to be covered with carpet with padding or other material designed to reduce sound transmission. Material other than carpet will require a permit. Applicants must present information along with the permit application that demonstrates that the noise reduction properties of the proposed installation are equivalent to carpet with padding.

**59.0.1 HARD SURFACE FLOORING IN LIEU OF CARPETING ON FIRST, SECOND AND THIRD FLOORS**

In lieu of carpeting, hard surface flooring on second and third floors requires an alteration application that includes but is not limited to a floater floor with no fasteners within 1/8 inch of a wall and equal to or greater than an IIC rating of 74 as verified on application by installer/vendor/architect. On first floor, the IIC rating of 50 is required for hard surface flooring and requires an alterations permit.

**59.0.2 DISPOSITION OF HARD SURFACE FLOORING INSTALLED BEFORE MAY 20, 2013 WITHOUT A PERMIT**

Any hard-surfaced replacement flooring that was installed before May 20, 2013 without the required permit shall be replaced at the owner's expense, by direction of the Board of Directors, upon receipt of a credible written complaint by an affected neighbor, and in any event not later than the time of resale or transfer, with flooring that meets the above requirements of this Section 59.0.1.

**59.0.3 HARD SURFACE FLOORING FOR ENTRIES, KITCHENS, BATHS AND LAUNDRY AREAS**

These surfaces on second and third floors must meet the IIC rating of 50.

**59.0.4 PERMITS FOR IMPROVEMENTS OVER FLOORING ORIGINALLY INSTALLED BY THE DEVELOPER**

Notwithstanding the requirements stated above, where the kind of flooring originally installed by the developer is called for, permits may be issued for installing instead a flooring system that is demonstrably less noisy than the flooring installed by the developer.

Attachment to Policy: The attached form is to be filled out by the owners with the alteration application.



**Fifth Walnut Creek Mutual  
Hard Surface Flooring Liability Release Form**

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

Date of Installation: \_\_\_\_\_

Location of Alteration: \_\_\_\_\_

Type of Installation: \_\_\_\_\_

The undersigned, do hereby release any responsibility or liability the Fifth Walnut Creek Mutual may have if at any time in the future a Mutual component should fail (e.g.: plumbing leak, moisture migration, building movement, etc.) and causes damage to the above installed hard surface flooring. If the flooring must be removed to facilitate any construction work that the Mutual is obligated to repair, the cost of the labor and materials to remove, replace or reinstall will be the sole responsibility of the Manor owner.

It is also understood that upon a receipt of a credible written complaint by an affected neighbor or upon the discovery of a violation of the Mutuals policies the owner's, at their own expense, will replace the hard surface flooring to meet the Mutuals current policies.

The undersigned further agrees to inform any subsequent buyers of their Manor of this release and their responsibility and liability to said release.

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

Date: \_\_\_\_\_

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

Date: \_\_\_\_\_

**60.0.0 RESTRICTIONS ON USES OF 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.

**60.1.0 USE OF ELECTRICAL APPLIANCES**

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

**60.2.0 CROWDING DECKS**

Objects including potted plants should not be placed where they will interfere with passage across an open deck or impede access to handrails.

**60.3.0 OVERLOADING DECKS**

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

**60.4.0 OVERWATERING PLANTS ON DECKS**

All plant containers on decks must be placed in saucers or the equivalent, to prevent excess water from spilling on the deck. The plants must be watered with watering cans or with other devices or methods that will avoid continual wetting of the deck surface and, where gutters are lacking, runoff to other decks below. To the extent that overwatering promotes dry rot, the owner may be held liable for repairs.

**60.5.0 COMMON AREA DECKS**

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

**60.6.0 RESTRICTION ON USE OF ROOFS**

To prevent damage to the roofs of the manors, garages, and carports, no objects or personal property of any kind or nature, including but not limited to flowers, pots, shrubs and statues, shall be displayed or placed upon the roof of any manor or garage or carport; provided, solar energy panels and roof penetrations for improved lighting may be installed under FIFTH MUTUAL-approved alteration permits.

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FIFTH WALNUT CREEK MUTUAL  
POLICIES AND PROCEDURES

OWNER-INITIATED  
ALTERATIONS:  
SOLAR ENERGY SYSTEMS

61.0.0

1/1	June 9, 2003	NA	NA
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**61.0.0 OWNER-INITIATED ALTERATIONS: SOLAR ENERGY SYSTEMS**

Solar energy systems may be installed within the common areas of FIFTH WALNUT CREEK MUTUAL, only as permitted under this policy. Any such systems which are installed in violation of this policy shall be removed, and the surrounding areas and electrical connections shall be restored to their previous condition, at the owner's expense. This policy is intended to conform with Civil Code Sections 714 and 714.1, which shall control this policy in the event of conflict with the law.

**61.1.0 PROCEDURES**

Alteration permit procedures set forth in Appendix A, Policy 51.0.0 shall be followed, with the following modifications:

- A. District director's review and approval. The application will be brought to the attention of the district director, who may suggest reasonable restrictions on the installation, but may not disapprove the installation.
- B. Neighbors' acceptance. The applicant shall notify each co-owner of the condominium and certify that the notice has been given. Any written comments by the co-owners shall be attached to the application. No application may be denied because of objections by the co-owners. However, objections based on a proposed exclusive use of the common area may be referred to counsel.
- C. ACC review and approval. The Architectural Control Committee shall review the application and offer recommendations, if any, for reasonable restrictions on the installation within limits prescribed in Civil Code Section 714. However, no application may be denied by the committee.
- D. Board review and approval. The solar energy system proposed must be a system approved by FIFTH WALNUT CREEK MUTUAL.
- E. City of Walnut Creek permits. The applicant shall provide satisfactory evidence of compliance with requirements of the City of Walnut Creek.

**61.1.0 COMPLIANCE WITH MANUFACTURER'S INSTALLATION INSTRUCTIONS**

The applicant shall provide satisfactory evidence that the system is installed in a workmanlike manner, by a licensed and insured installer, in accordance with the manufacturer's instructions.

**61.2.0 EXECUTION OF LICENSE AND INDEMNITY AGREEMENT**

The applicant shall execute and deliver a license and indemnification agreement in a form satisfactory to FIFTH WALNUT CREEK MUTUAL which will, among other things, require that the applicant (1) procure and maintain liability insurance with minimum limits of Two Hundred Fifty Thousand dollars (\$250,000) (2) indemnify FIFTH WALNUT CREEK MUTUAL and its directors, officers, members, and agents in the event of loss or damage caused by the installation, maintenance, or use of the solar energy system including, without limitation, loss of use of the common area by other owners of the condominium (3) provide that upon sale or transfer of the unit, the buyer or transferee must assume all of the applicant's obligations in writing as set forth in the policy statement, unless before sale or transfer the applicant removes the solar energy system at the applicant's sole cost and expense, and returns the surrounding areas and electrical connections to their original condition, and (4) provide that the applicant shall remove the solar energy system, upon request by FIFTH WALNUT CREEK MUTUAL and at the applicant's sole cost and expense if, in the sole discretion of the Board of Directors the applicant fails to adequately maintain the system, or the system creates a safety hazard, or if necessary to allow the Mutual to maintain or repair the area where the system is installed.

FIFTH WALNUT CREEK MUTUAL  
POLICIES AND PROCEDURES

OWNER REQUESTED  
REMOVAL OR TRIMMING OF  
TREES

62.0.0

1/1	February 14, 2005	NA	NA
Page Number/Total Pages	Date Issued	Replaces Page Number	Date Issued

62.0.0 OWNER REQUESTED REMOVAL OR TRIMMING OF TREES

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

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

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

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

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

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

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FIFTH WALNUT CREEK MUTUAL  
POLICIES AND PROCEDURES

ENCROACHMENTS

63.0.0

1/1  
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63.0.0 ENCROACHMENTS (Other than owner-maintained gardens \*)

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

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

63.1.0 ENCROACHMENTS NOT REQUIRING A PERMIT OR VOTE

Penetrating the sheetrock in a unit with nails or screws to hang ornaments, or fasten objects to an interior wall or framing for earthquake safety, while technically an encroachment, is allowed without a permit or vote by the membership of the Project.

63.2.0 ENCROACHMENTS THAT REQUIRE A PERMIT BUT NOT A VOTE

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

63.3.0 ENCROACHMENTS THAT REQUIRE PERMITS AND VOTING

63.3.1 GENERAL PROVISIONS

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

63.3.2 EXISTING PERMITTED ENCROACHMENTS

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

63.3.3 NON-PERMITTED ENCROACHMENTS

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

63.4.0 PAYMENT OF COSTS TO AMEND A CONDOMINIUM PLAN

Permittees are responsible for paying the costs of informal and formal amendments to a condominium plan reflecting approved encroachments.

63.5.0 WAIVERS BY THE BOARD OF DIRECTORS

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

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

**64.1.0 STANDARDS FOR BUILDINGS**

**64.1.1 PAINT**

Exterior paint colors and specifications for walls, soffits, doors, railings, roofing -- all per 2004 palette for Project 46. Only latex, not elastomeric, over elastomeric.

**64.1.2 MAILBOXES**

**64.2.1 RFD**

New ( black), door recessed to accept standard label from Kiwanis.  
Old (blue), repaint, except replace with new black if prep exceeds new box cost. Posts 6x6, not painted, beveled at top, bolted to heavy metal bracket that is buried in concrete, wood not to touch concrete, height of box shelf and distance from curb per USPS rules. Boxes mounted on wood slats that are fastened to 2x4 crossbars that are bolted to the post.

**64.2.2 GANG**

6x2 metal, USPS lock bar, aluminum finish or painted blue.

**64.2.3 MAIL SLOTS (Permit only)**

Mail slots in garage doors by permit plus USPS approval only, brass finish.

**64.1.3 SKYLIGHTS AND FROG EYES (Permit only)**

Permit required; approval by individual setting.

**64.1.4 FRONT DOORS**

4-panel fir, varnished or painted off-white to match walls.  
Original standard hardware.  
(See Policy 65.)

**64.1.5 FRONT DOOR SCREENS (Permit only)**

Generally, Oxford brown or Dark Bronze frames with protective metalwork at the latch level.  
Key lock screens are not permitted.  
Phantom doors allowable.  
Owners pay for maintenance and replacement.

**64.1.6 GARAGE DOORS**

**64.1.6.1 PLYWOOD**

Plywood over 2x4 frame, cantilever, Oxford brown. Repainting as needed.

**64.1.6.2 ROLLUP (Permit only)**

By permit, rollup doors with metal clad foam sandwich, factory brown finish to match existing. No repainting. Generally, applied in pairs for appearance. Owner pays difference between cost of rollup door and cost of plywood door when plywood door scheduled for replacement because of severe damage or deterioration. Owner pays for entire cost of rollup door installed before plywood door is due for replacement. Owner pays for all opening devices in either case, including any required garage interior modification.

**64.1.7 FLAGPOLE HOLDERS (Permit only)**

Permit required to assure proper installation.

**64.1.8 VERTICAL TRELLISES (Permit only)**

Attachment to building subject to permit. Natural wood finish, or paint to match walls.

**64.1.9 OUTDOOR FENCES (Permit only)**

Subject to encroachment rules. Enclosures require membership vote. Black steel pickets or wood-tone finish wooden pickets standard.

**64.1.10 CARPORT STORAGE (Permit only)**

Firewood must be stored on metal racks, Landmann Firewood Holder 82413 or equivalent Maximum 8 linear feet of storage rack. Permits may be issued for installation of closed-front storage cabinets at the rear of the carports.

**64.1.11 EXTERIOR AIR CONDITIONING EQUIPMENT (Permit only)**

Change in footprint or height requires approval.

Fuse box must be upgraded upon replacement of the unit.

All replacement installations require electrical permits, smoke alarms.

**64.1.12 SATELLITE DISHES (Permit only)**

No attachment to the common area (other than the exclusive use common area) is permitted. No penetration of the exclusive use common area is permitted.

**64.1.13 WINDOWS (All changes by permit only)**

Standard windows in narrow bronze finished frames.

Standard window installations are set forth in the drawing of elevations.

**64.1.14 DECK COATINGS (All changes by permit only)**

Existing standard coatings include Duradeck, Dekrite, and GACO in various colors.

New standard coatings include Excel Coat Fire System in 3 colors, with various textures.

Tile is not allowed and failing tile coatings will be removed at owners' expense.

New standard flashing to current specifications is required for all replacements.

Before recoating, old coatings are torn off as needed to detect any problems with underlayment.

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64.1.15 DECK COATINGS (continued)

Owners pay for any upgrades of the basic coating, but the Project pays for maintenance of the upgrade.

64.2.0 STANDARDS FOR GROUNDS

64.2.1 PRIVATE PROPERTY ON COMMON AREAS

Requires permit, if not permitted will be removed on complaint. Includes exterior decorations hanging from or attached to the exterior walls or within the landscaping. Refer also to the encroachment policy.

64.2.2 LANDSCAPING

All landscaping is controlled by the Landscape Committee. No new, owner-maintained gardens are permitted. Existing gardens will be removed on sale of the unit or upon significant deterioration.

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65.0.0 OWNER-INITIATED ALTERATIONS: FRONT DOORS

By definition in the Condominium Plans, doors are Project property. Consequently, any owner-initiated change in a front door requires an alteration permit.

65.1.0 LEGACY (ORIGINAL) FRONT DOORS

The front door is a solid 4-panel fir door, gloss varnished or painted off-white to match the exterior walls, with a translucent glass side panel. Any other front door or side panel is an alteration.

65.2.0 PERMISSIBLE FRONT DOOR ALTERATIONS

By permit, owners may deviate from the legacy front door specifications as follows. Any such alteration must include a weather-resistant finish. No change in the door or sidepanel dimensions is allowed.

65.2.0.1 Install a solid 4-panel fir door, satin varnished or stained dark walnut.

65.2.0.1 Install a solid 8-panel fir door, gloss or satin varnished or stained dark walnut.

65.2.0.3 Install a 6-panel fir door with "seedy baroque" glass inserts in the top half, and matching side light, wood parts gloss or satin varnished or stained dark walnut.

65.3.0 LEGACY FRONT DOOR HARDWARE

The legacy front door opens inward and is fitted with three hinges, a deadbolt, a lockset with a round knob, and a peephole. Any other hardware is an alteration.

65.4.0 PERMISSIBLE FRONT DOOR HARDWARE ALTERATIONS

By permit, owners may alter the legacy front door hardware by installing a lever or knob replacement, with the lock in the knob or lever or in a backplate. Knockers may be installed by permit, at the discretion of the Alterations Committee. All exposed alteration hardware must be finished in oil rubbed bronze.

65.5.0 OWNERS' RESPONSIBILITIES

Owners are responsible for the entire cost of altering a legacy door or door hardware, except that when a legacy door is completely refinished, the hardware must be altered to meet the requirements of part 65.4.0, and the Project shall pay for the hardware alteration. Ordinary maintenance of a legacy door is the responsibility of the Project, but any additional maintenance costs of an alteration shall be borne by the owner.

Notwithstanding the paragraph above, if a door must be replaced because of damage not caused by the owner, or because of deterioration, the Project shall pay the amount that would be needed to replace a legacy door and its original hardware, and the owner shall pay for any additional cost of replacing any alteration.

65.6.0 EXISTING ALTERATIONS

Existing approved alterations in conformity with these standards may remain. Existing nonconforming or unapproved alterations may remain until the unit is sold, but at that time the door must be brought into conformity at the seller's expense.

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**66.1.0 CONTROLLING STATE LAW**

Under California Civil Code Section 1353.9, Fifth Walnut Creek Mutual condominium owners may install a separate electrical circuit in their garage or in their assigned free standing carport area to charge a plug-in electric automobile.

**66.2.0 GENERAL CONDITIONS FOR POWER SOURCE INSTALLATION**

The condominium owner will be responsible for the installation of the separate electrical circuit that meets the requirements established by state and local laws and the electric automobile manufacturer. All costs of installation and usage of the separate electrical circuit is the sole responsibility of the condominium owner. If, at the time of sale of the condominium unit, the new owner does not accept responsibility for the separate electrical circuit, it will be dismantled at the selling owner's expense.

**66.3.0 PERMIT REQUIREMENTS**

**66.3.1 OWNERS WITH ATTACHED GARAGES**

Owners living in manors with attached garages must obtain a Fifth Walnut Creek Mutual Alteration Permit, including City of Walnut Creek permit, for all electrical modifications required to provide hook-ups for their electric automobile. All charges for the modification will be the owner's responsibility. All electricity utilized in recharging the vehicle will appear on the owner's monthly electrical bill.

**66.3.2 OWNERS WITH CARPORTS OR UNATTACHED GARAGES**

Owners who utilize carports or unattached garages for electric automobile storage must obtain a Fifth Walnut Creek Mutual Alteration Permit, including City of Walnut Creek permit, for all electrical modifications. This will include requiring PG&E to install a separate meter for the modifications. This meter will be listed in the owner's name and all recharging expenses will be billed to the owner. Extension cords from the garage or home to the carport will not be permitted.

Owners with garages who presently have appropriate resident billable outlets in their garages may use this outlet as a power source.

**66.4.0 INSURANCE REQUIREMENT**

California Civil Code 1353.9 requires the condominium owner to provide a certificate of insurance that names Fifth Walnut Creek Mutual as an additional insured under their homeowner's insurance policy. The Code also requires the condominium owner and each successive owner, at all times, to maintain an umbrella liability coverage in the amount of one million dollars (\$1,000,000) covering the owner operating a permitted Policy 66 power source installation. The condominium owner must name the Fifth Walnut Creek Mutual as an additional insured under the policy with a right to notice of cancellation.

**66.5.0 ILLEGAL USAGE**

Vehicles may only be powered using metered circuits chargeable to the owner. Mutual metered electrical circuits chargeable to the Mutual may never be used. Each illegal use is a violation and shall be subject to a monetary assessment of \$60.

November 20, 2015

70.0.0 SMOKE ALARMS

Each unit must have one or more operable smoke alarms installed in accordance with Uniform Building Code part 310.9.1.

Owners may install additional smoke alarms, not required by the Code, at their own expense.

The alarms will have their batteries replaced at the expense of the 5<sup>th</sup> WCM annually.

August 14, 2006  
October 19, 2012

FIFTH WALNUT CREEK MUTUAL  
POLICIES AND PROCEDURES

PETS

71.0.0

1/1  
Page Number/Total Pages

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1/1 [Policy 35.0.0]  
Replaces Page Number

March 11, 1996  
Date Issued

71.0.0 PETS

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

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

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

71.1.0 LEASH RULE

Dogs and cats must be leashed at all times when outside the manor. <sup>①</sup>

71.2.0 SANITATION RULES

1. In order to prevent unsightly damage, pets must be restrained from relieving themselves on lawns and shrubbery.
2. The pet owner is responsible for cleaning up and removing any feces left by a pet in any area of Rossmoor. The feces must not be disposed of in storm drains or other outside areas. Trash collection bins may be used for disposal of feces in plastic bags.

71.3.0 CATS

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

71.4.0 DOGS

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

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<sup>①</sup> Special walking areas have been set aside in Rossmoor where owners may allow their dogs to run unleashed (but under control). Maps of these areas are available in the Board Office.

FIFTH WALNUT CREEK MUTUAL  
POLICIES AND PROCEDURES

WILDLIFE

72.0.0

1/1

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72.0.0 WILDLIFE

Rossmoor is a haven for wildlife of many kinds, including rats and gophers. Our landscaping provides a variety of food and shelter. Predation is limited, partly because we control cats and dogs. Our managed environment allows wildlife to thrive.

Generally, FIFTH WALNUT CREEK MUTUAL has discouraged additional supplementary feeding of wildlife in Rossmoor. Bird feeders have been discouraged because they tend to attract rodents. Those who wish to feed and water the birds must

1. Observe sanitation precautions and rodent avoidance precautions recommended by ornithological authorities such as the National Audubon Society.
  2. Secure their bird feed supplies against consumption by rodents and stored-products insects.
  3. Modify or stop their bird feeding if necessary to prevent or control unwanted infestations.
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FIFTH WALNUT CREEK MUTUAL  
POLICIES AND PROCEDURES

OWNER ACCESS TO  
MEMBERSHIP LISTS

73.0.0

1/1

January 13, 2000

1/1 [Policy 37.0.0]

March 11, 1996

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73.0.0 OWNER ACCESS TO MEMBERSHIP LISTS

Any member of FIFTH WALNUT CREEK MUTUAL who wishes to inspect or obtain a copy of the list of names and addresses of the members of the Project, District, or entire Mutual should submit a written request to the Board of Directors at 1001 Golden Rain Road, Walnut Creek, California 94595, stating the purpose for which the membership list is requested. The purpose must be related to the owner's interest as a member. If the Board reasonably believes the information will be used for business or solicitation purposes, or where the Board provides a reasonable alternative, the Board may deny the member access to the list. Pursuant to Corporations Code §8330, members should allow the Board five (5) business days to meet the request for inspection, and ten (10) business days to produce a copy of the list. FIFTH WALNUT CREEK MUTUAL may charge a reasonable fee to cover copying and mailing costs.

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FIFTH WALNUT CREEK MUTUAL  
POLICIES AND PROCEDURES

OWNER ACCESS TO BOARD  
MINUTES

74.0.0

1/1

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74.0.0 OWNER ACCESS TO BOARD MINUTES

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

Civil Code

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

Corporations Code

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

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

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75.0.0 RESOLUTION OF LOCAL CONFLICTS

1. Owners (and residents on behalf of owners) who wish to call attention to problems such as unruly behavior, unsafe or illegal parking, other disruptive activities, threats, violence, or safety and health hazards should -
    - Dial 911 in case of an emergency.
    - Notify the Golden Rain Foundation's Department of Public Safety.
  2. Less urgent matters of local concern such as parking problems, landscaping problems, or disagreements among residents will be resolved locally (within the individual building, entry, or Project) whenever possible. Each FIFTH WALNUT CREEK MUTUAL District Director shall attempt to handle the District's problems but may ask the Board for assistance. The Directors representing the Projects, or the Board, may appoint ad hoc committees to deal with the problems.
  3. If a problem cannot be resolved locally, the Directors concerned will refer the matter to the Board for action. The Board may take whatever measures it deems necessary and proper to resolve the issue, including referral to the Conflict Resolution Committee, a formal hearing, or vote of the Project owners.
-

**76.0.0 DISPUTE RESOLUTION**

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

**76.1.1 INITIATION**

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

- (1) The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be in writing.
- (2) A member of an association may refuse a request to meet and confer. The association may not refuse a request to meet and confer.
- (3) The association's board of directors shall designate a member of the board to meet and confer.
- (4) The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute.
- (5) A resolution of the dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the board designee on behalf of the association.

**76.1.2 ENFORCEABILITY**

An agreement reached under this section binds the parties and is judicially enforceable if both of the following conditions are satisfied:

- (1) The agreement is not in conflict with law or the governing documents of the common interest development or association.
- (2) The agreement is either consistent with the authority granted by the board of directors to its designee or the agreement is ratified by the board of directors.

**76.1.3 FEES**

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

**76.2.0 ALTERNATE DISPUTE RESOLUTION**

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

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

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

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

FIFTH WALNUT CREEK MUTUAL  
POLICIES AND PROCEDURES

SIGNAGE

77.0.0

1/1

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77.0.0 SIGNAGE

Noncommercial signs and posters may be posted or displayed as permitted under Civil Code §1353.6(a) and (b), but may not be more than 9 square feet in size. Noncommercial flags and banners may be displayed as permitted under Civil Code §1353.6(a) and (b), but may not be more than 15 square feet in size.

Refer to the Appendix for a copy of the current Civil Code §1353.6.

FIFTH WALNUT CREEK MUTUAL  
POLICIES AND PROCEDURES

OUTDOOR BARBECUES

78.0.0

1/1  
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NA  
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78.0.0 OUTDOOR BARBECUES

78.1.0 AVOIDING ANNOYANCES

In order to comply with the general prohibition against annoyances set forth in the CC&Rs, barbecue cooks should take care to avoid annoying their neighbors with barbecue smoke and odors.

78.2.0 AVOIDING FIRE HAZARDS

Barbecue cooks must avoid hazards of fire and explosion. Storage of large containers (over 1.1 lbs.) of propane in enclosures is prohibited. Outdoor barbecue cooking with charcoal over flooring that might be melted or burned by a fallen coal, and barbecue cooking that is left untended, are prohibited.

FIFTH WALNUT CREEK MUTUAL  
POLICIES AND PROCEDURES

MANAGING AGENT  
RELATIONS

90.0.0

1/1  
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**90.0.0 MANAGING AGENT RELATIONS**

Golden Rain Foundation, as managing agent for FIFTH WALNUT CREEK MUTUAL, has a responsibility to assist the Board in implementing the Board's policies and procedures, including (without limitation) the following.

**90.1.0 OWNER BILLABLE WORK AT THE TIME OF RESALE**

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

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FIFTH WALNUT CREEK MUTUAL  
POLICIES AND PROCEDURES

WORK SITE RULES FOR  
CONTRACTORS

91.0.0

1/1  
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91.0.0 WORK SITE RULES FOR CONTRACTORS

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

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

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FIFTH WALNUT CREEK MUTUAL  
POLICIES AND PROCEDURES

WORK ORDERS, CONTRACTS,  
AND CHANGE ORDERS

92.0.0

1/1	March 11, 2002	NA	NA
Page Number/Total Pages	Date Issued	Replaces Page Number	Date Issued
92.0.0	<u>WORK ORDERS, CONTRACTS, AND CHANGE ORDERS</u>		

92.1.0 LIMITS ON DIVISION OF TASKS

No party will divide a task into separate work orders or contracts in order to avoid FIFTH MUTUAL approval or bidding requirements.

92.2.0 WORK ORDER CONVERSION TO CONTRACT

Any work order assigned by MOD to an outside vendor shall be executed by MOD as the contracting party, or converted to a formal contract with FIFTH MUTUAL and executed by FIFTH MUTUAL and the vendor.

92.3.0 BIDDING

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

92.4.0 MULTIPLE PROJECTS WORK

Any contract for work in two or more FIFTH MUTUAL Projects shall state the scope of work and cost separately for each Project, and shall require a strict accounting of expenses by Project.

92.5.0 CHANGE ORDERS

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

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

If a contract is let for only a portion of work covered by an acceptable bid, other portions of the work may be added by change orders that include all changes in scope, specifications, and completion plans.

92.6.0 NEW CONTRACTS IN LIEU OF CHANGE ORDERS

If a contract is let for all of the work covered by an acceptable bid, additional, similar work to be performed at a different location requires a new contract, not merely a change order.

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