



**ROSSMOOR**  
WALNUT CREEK

## **Walnut Creek Mutual No. Sixty-One**

### **Policies**

**If this document contains any restriction based on race, color, religion, sex, sexual orientation, familial status, marital status, disability, 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.**



**WALNUT CREEK**

**MUTUAL NO. SIXTY-ONE**  
**(HERITAGE OAKS)**

**POLICIES**  
**RULES & REGULATIONS**

Adopted February 9, 2001  
Amended July 12, 2001  
Adopted October 31, 2001  
Amended March 23, 2004



**WALNUT CREEK MUTUAL NO. SIXTY-ONE  
STATEMENT OF POLICIES;  
RULES AND REGULATIONS**

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## PREFACE

These policies are furnished to owners, residents and lessees to provide a description of the rules and regulations established by Walnut Creek Mutual No. Sixty-One (Mutual, Mutual 61, M-61 or Heritage Oaks).

The governing documents of Mutual 61 give the Mutual Board of Directors (Board) the responsibility of developing Rules and Regulations which may be necessary for the management of Mutual 61.

Policies may be changed by the Board when they deem it appropriate. Prior notice does not have to be given to the membership before changes are made to policies by the Board.

These policies are not all-inclusive, and if they conflict with the Articles of Incorporation, Bylaws and/or Declaration of Covenants, Conditions and Restrictions (CC&RS), the latter take precedence.

Mutual 61 has contracted with the Golden Rain Foundation (GRF) to assist the Board of Directors of Heritage Oaks in the management, operation, maintenance and administration of Mutual 61. The Golden Rain Foundation, as Manager, performs its functions through its Mutual Operations Division (MOD). Any requests for maintenance and repair should be directed to MOD.

### If you need assistance:

The following numbers should be used during regular business hours - 8:00 a.m. to 4:30 p.m., Monday through Friday - if you need assistance from the Manager in any of these areas:

Coupon problems	988-7620
Landscaping and irrigation problems	988-7640
Building and pavement problems	988-7650
Alterations and resale inspections	988-7660

Emergencies occurring after business hours and on Saturdays and Sundays should be reported to Public Safety at 939-0693, who will arrange assistance.

## **ALTERATIONS TO MUTUAL COMMON AREAS OR THE EXTERIOR OF A BUILDING**

Any alteration to: the exterior of a building; garage; patio; deck; privacy fence; patio perimeter fence; common area, including placing or installing objects of a permanent nature in the common, is prohibited without the prior approval of the Architectural Control Committee (ACC) and M-61 Board. Alterations that encroach into the common area that would result in an increase of the owner's exclusive use common area and a corresponding decrease in the Mutual's common area, will not be approved. All alterations and subsequent maintenance costs are the owner's responsibility, including any incidental residence repairs or reconstruction costs that arise because of an alteration.

Alterations to the interior of a residence do not require the Board's nor the ACC's approval.

### **Procedure for getting an alteration approved:**

1. Discuss plans with the M-61 Building or Landscape Committee.
2. Contact the Mutual Operations Division (MOD) to obtain an Alteration Agreement and Permit Application package.
3. Submit plans and a completed Alteration Agreement and Permit Application form to the Mutual's Building Committee for review.
4. Submit plans and a completed Alteration Agreement and Permit Application form to MOD, who will forward the information to the Architectural Control Committee and M-61 Board for approval. Fees associated with this process will be charged at the time the application is submitted for approval.
5. If the alteration requires a building permit from the City of Walnut Creek Building Department, the residence owner is responsible for obtaining the permit and paying any associated fees to the city.



### **BIRD SEED FEEDERS**

Bird seed feeders and/or scattering bird seed, or feeding all other wild, feral or domesticated animals outside is not permitted because it attracts rodents. If bird feeders are discovered, the owner will be required to remove the feed and feeder immediately upon notification.

### COMMERCIAL ACTIVITIES

No commercial activities may be conducted in the common area.

If commercial activities are conducted in a residence, there may be no external evidence of any business activity, including signage or traffic, e.g., receiving clients in the home.

It is the owner's responsibility to ensure that any commercial activities comply with applicable zoning laws or governmental regulations and, if required, proper permits, licenses or other governmental authorization is obtained.

## COMMITTEES

### **Standing committees:**

The following will be the Mutual's Standing Committees:

- Building Maintenance
- Emergency Preparedness
- Landscape Maintenance
- Social

Within one month after the annual meeting, the President will appoint, with Board approval, chairpersons of the Standing Committees to one-year terms. The committee chairpersons will recommend, for Board approval, additional members to serve on their committees.

Committee charters are in Appendix C.

### **Nominating committee:**

The President, with the approval of the Board, will appoint annually a Nominating Committee, who will propose a candidate(s) for each vacancy on the Board of Directors that will be voted on at the Annual Meeting.

### **Special committees:**

Other special and ad hoc committees will be appointed, as needed, by the President with Board approval.

## DELINQUENCIES

### Delinquent assessments:

Assessments are due on the first day of each month. Payments may be made by mailing the payment in the envelope provided with the monthly coupon, or putting it in the drop box at the Administration Office in the Gateway Complex. The Mutual only mails statements to accounts that are delinquent; statements are not mailed to accounts that are current or have a credit balance.

All regular and special assessments that have not been processed and posted to accounts by 5:00 P.M. on the 15th day of the month [the next working day if the 15th falls on a Saturday, Sunday or holiday] are delinquent and will incur a \$40.00 late charge. All payments received are first applied to the principal owing, to the oldest outstanding item first then the remaining amount is applied to late fees, interest at ten percent (10%) per annum, and any other charges that have been levied each month, as applicable. This will be done until the account balance is paid in full.

It is the Mutual's policy not to waive late fees, interest or other charges. It is the owner's responsibility to allow sufficient time to drop off or mail the monthly assessment, have it processed and posted to accounts by the 15th day of the month.

Accounts over 90 days' past due are considered in default. Per Civil Code §1367, the Mutual will notify the owner, in writing, via certified mail and regular mail, of the Mutual's:

1. Fee and penalty procedures;
2. Collection policy; and will provide
3. An itemized statement of the charges owed by the owner, including the method used to calculate the charges that have to be paid to bring the account current.

If payment is not received within the stated 10 days, a "Notice of Delinquent Assessment" will be recorded with the Contra Costa County Recorder as a lien against the property. In accordance with California Civil Code §1367, this lien may be enforced in any manner permitted by law, including the sale of the unit by the court.

The Mutual accepts no responsibility for notices not received by the owner. Notices will be sent as required by law under foreclosure proceedings. It is the owner's responsibility to be aware of and understand these procedures and to pay all assessments when due.

(Continued)

**Delinquent assessments (continued):**

Owners and former owners are personally liable for delinquent assessments that accrue during their ownership. The Board may proceed against these individuals in any way available under the law to collect any and all delinquent amounts.

**Disputes involving collection of assessments:**

Per Civil Code §1366.3, if an owner disputes an assessment, fee and/or cost, the owner may protest and seek resolution via the Alternative Dispute Resolution (ADR) procedure in Civil Code §1354.

Before the Mutual may be served with a request for ADR, the owner has to pay the Mutual, "under protest", the following costs that may have accrued:

- The full amount of the assessment
- Any late charges
- Collection costs
- Attorneys fees, up to \$425, for preparation and recordation of a lien

## FINANCIAL ACTIVITIES

### **Authorization for expenditure of funds:**

The Board's approval of an annual operating budget includes authorization for the Manager to commit M-61 funds for budgeted activities, except as noted:

1. Any contract or order totaling more than \$5000 must be submitted to the Board for approval. Manager will use competitive bidding when prudent business dictates and when awarding contracts or orders for amounts estimated to exceed \$5000.
2. Unless specifically exempted in writing to the Manager, non-emergency, mutual-billable building maintenance activities must be pre-approved by a Board member. Items approved between Board meetings will be brought to the attention of the Board at the next meeting.

In the absence of a Board member, the Director of Mutual Operations is authorized to expend M-61 funds in the event of an emergency.

### **Social fund:**

In order to accept and disburse money for M-61 social activities, the Treasurer will maintain a Social Fund account with a local financial institution in accordance with its signature card and account agreement. The Social Chairman is the primary signature authority on Social Fund account checks and the Treasurer will be the alternate signature authority. Bank statements and other account-related correspondence will be sent to the Treasurer.

### **Operating fund:**

In order to accept and disburse money for M-61 operating activities, the Mutual will open an Operating Fund account with a local financial institution in accordance with its signature card and account agreement. The Assistant Treasurer (via facsimile signature) will be the signature authority on this account. All monthly assessment payments and other receipts will be deposited into this amount and all checks written by the Mutual to pay the Mutual's bills to third parties will be made from this "consolidation" account.

### **Replacement reserve fund:**

The Board approves a monthly assessment to establish a Replacement Reserve Fund (Reserve Fund), based upon a reserve study prepared in accordance with the requirements of California Civil Code §1365.5.

(Continued)

**Replacement reserve fund (continued):**

The Reserve Fund is used to rehabilitate and replace major components, which are defined in the Reserve Study, and to meet emergencies.

To the extent possible, it is the Mutual's policy to maintain a balance in the Reserve Fund that will permit it to meet anticipated funding needs without having to levy special assessments. Interest earned on Reserve Fund investments will be deposited in the Reserve Fund.

The Board must approve expenditures from the Reserve Fund. Checks written on the reserve account require two authorized signatures, at least one of which must be by a member of the Board. Any director may co-sign the check transferring money from the Reserve Fund to the Operating Fund, after the reserve expenditure has been approved by the Board.

**Financial report:**

The Mutual contracts with a Certified Public Accountant (CPA) to conduct an annual audit of the Mutual's financial records and submit an audited financial report to the Board. A copy of the annual, audited financial report is sent to each owner.

## **GARAGES AND PARKING**

No garage area may be modified or changed to reduce the number of cars it was originally designed to accommodate.

There will not be any modification of a garage that eliminates its primary function of housing motor vehicles. Any proposed alteration or modification of the garage from its initial construction must be submitted to the Mutual 61 Building Maintenance Committee and to the Architectural Control Committee for review and approval.

Residents are required to park their motor vehicles in their garage unless the residents, designated occupants and/or live-in care providers have more than two vehicles. In this case, the extra vehicle(s) may be parked in the resident's driveway.

Except as approved by the Board on a case-by-case basis, commercial vehicles in service to a resident may not be parked in their driveways or on the Mutual's streets except for loading and unloading, which may not exceed a maximum of 24 consecutive hours.

Residents must advise their guests to park in their driveway, unless it is full, and then in the "Guest Parking" area. "Guest Parking" spaces are intended for short-term occupancy by residents' guests and other visitors to the Mutual. Of course, there is limited parking on the side of the streets not designated as "Fire Lane". Neither residents nor their live-in employees may park their personal vehicles in "Guest Parking" areas.

A resident with two or more vehicles may not use the guest parking spaces for the extra vehicle(s). Trailers, recreational vehicles, boats, commercial type trucks, and similar vehicles may not be parked in residential areas. A recreational vehicle may be parked temporarily in the residential area while being prepared for travel or on return from travel.

The traffic and parking rules for Walnut Creek apply to Rossmoor and are enforced by the Walnut Creek Police Department. In the event of flagrant violations of Mutual 61 parking rules, call Rossmoor Public Safety (939-0693).



### **GARBAGE CANS**

Garbage cans may not be put outside, if they can be seen from the common area, except on the night before and day of garbage pick-up. Garbage cans must be put back out of sight by sundown on the day of garbage pick-up.

## HEARINGS

### Initiation of action:

When a hearing is called by the Board or requested by a member, the following procedures will be followed:

- The matter will be scheduled to be heard at a regular or special meeting of the Board, to be held not less than 20 nor more than 40 days after the resolution calling for a hearing.
- At least ten (10) days prior to the hearing date, the Board will personally or by first class or registered or certified mail deliver to the member notice of the date, time and place of the hearing and a copy of the resolution, which will generally describe the violation (with citations).
- In the notice, the Board will request that the member notify them if they plan to bring legal counsel to the hearing.
- If a quorum of the directors fails to attend the hearing, the matter will be heard at the next succeeding regular or special board meeting at which a quorum attends, with the member receiving the same notice as given Board members.

### The hearing:

A hearing by the Board will be informal, and will be presided over by the President or the Vice President, who will:

- Read the charges against the member;
- Require that the charges be verified by the testimony of one or more of the persons making them;
- Hear any other witnesses against the member;
- Allow the member to make a statement in his or her own behalf;
- Allow the member to call witnesses in his or her own behalf; and
- Allow the directors present, when and as recognized by the chair, to question the witnesses.

(Continued)

**The hearing (continued):**

If the member fails to appear at a noticed hearing, the Board may conduct its deliberations and make its decision based on the information then available to the Board.

After the hearing, the Board will deliberate and, not later than three business days, will vote on the matter, which will be determined by a majority vote of the Directors present at the hearing. The Board will attempt to contact the member in person or via telephone to inform the member of the decision. Within 24 hours of the Board's decision. Written notice of the decision will be transmitted to the member via registered or certified mail.

## INVESTMENTS

To comply with California Civil Code § 1365.5, separate bank/investment accounts will be maintained for operating and reserve funds. Checks written on reserve accounts require two authorized signatures, at least one of whom must be a member of the Board of Directors.

All Mutual funds will be deposited in accounts insured by the Federal Deposit Insurance Corporation (FDIC). Excess operating or reserve funds may be invested in instruments backed by the full faith and obligation of the United States Government: U.S. Treasury Bills (investments of less than one year); or U.S. Treasury Notes (investments more than one year). Investments will not be made in U.S. Government securities that mature more than three years from the purchase date.

The Mutual delegates authority to the Assistant Treasurer to make investments based upon the timing of forecasted cash expenditure needs and in accordance with the above-stated guidelines set by the Board from time to time.

## LANDSCAPING

### Common area:

If an owner wants to change the landscaping in the common area, a proposal [including plans, if applicable] must be submitted to the Mutual Landscape Committee, which will ensure that the changes conform with the overall appearance of the Mutual. If applicable, the Mutual may require that the owner get the agreement of other affected residents that they do not object to the change(s) before considering the request for approval.

Any approved landscape change will become the property of the Mutual and be incorporated into its overall landscape design. As a precondition for approving a proposed change, the owner may have to agree to maintain the approved change(s) or contribute to the cost of maintaining the change(s) at a maintenance level satisfactory to the Board. If maintenance does not meet the Board's standards, restoration of the area to its original condition, at the owner's expense, may be required, at the Mutual's discretion.

### Tree or shrub removal and trimming:

Upon recommendation of the Landscape Committee, the Board may approve a resident's request to have a tree or shrub removed if it is:

- Dead, dying, or seriously diseased
- An immediate or future hazard to people or property
- Unsightly because of age or damage
- Not harmonious with good landscape design
- Permitted by the City of Walnut Creek

Residents may not top, prune, or cut any tree or shrub; requests to have such work done by the Mutual must be submitted to the M-61 Landscape Committee in writing. The request should include separate statements from neighbors that will be affected by the topping, pruning, removal, etc., that they do not object to the proposed action.

### Walkways:

A resident who wants to put a walkway, including stepping stones, in the common area must submit an alteration application (see page 2), which must be approved by affected neighbors and the Board.

**LAUNDRY**

Putting clothes racks or drying laundry in the patio area or any other place outside a residence, if visible from the common area, is prohibited.

## LEASING

### **Occupancy other than by owner:**

Units are intended to be owner-occupied. No more than five units in M-61 may be leased or rented at any one time and rentals must comply with Article IV, Section 4.8 of the CC&Rs. A residence may be rented or leased for periods of up to one year. Requests to rent or lease must be approved by the Board of Directors.

Any request to rent or lease for a period exceeding twelve consecutive calendar months shall be put before the Board for approval. The Board may approve a longer occupancy period if, in its discretion, the Board has determined that a longer rental or lease period is in the best interest of the members. It is not the intent of the Board to indiscriminately approve leases for a period of occupancy beyond the one-year period.

Hardship(s) will be dealt with by the Board on an exception-basis.

### **Minimum age requirement:**

Per Article II, Section 2.3.1, of the CC&Rs; the Federal Fair Housing Act; and California Civil Code, Section 51.3(b)(3), at least one lessee must be the minimum age required of a qualifying resident, i.e., 55 years of age.

### **Procedure for processing leases:**

Rental, lease and other occupancy permit forms are available at the GRF Administration Office. Owners must obtain written approval from the M-61 Board before executing a Rental or Lease Agreement. Approval may be requested by submitting a "Request to Lease" form to the GRF Administration Office.

A copy of GRF's Resident Regulations, M-61's policies and the governing documents will be given to the lessee [for a fee, if not provided by the owner], who will sign for their receipt.

## MAINTENANCE

Most repair and maintenance activities are the responsibility of the unit owner, but some are the responsibility of the Mutual. A portion of the monthly fees collected pays for maintenance of the common area landscaping and the fee-simple landscaping outside the fenced-in areas, and a limited number of building-related items.

To clarify whether the unit owner or the Mutual is responsible for the maintenance and repair of an item, Appendix A (attached) lists some different type of maintenance repair items that frequently occur, and indicates whether the Mutual or resident is responsible for their repair or maintenance.

Before Mutual-billable maintenance items can be called in to MOD, they first must be approved by a director. Residents should not contact MOD directly about maintenance items for which the Mutual is responsible, since MOD has been instructed not to respond without the Mutual's prior authorization.

If the problem involves exterior ants or exterior pathway lighting or an emergency, such as a rain leak or broken sprinkler head, residents may contact MOD directly. These problems do not need the prior approval of a director.



## MEETINGS

Members will be advised of scheduled board meetings and are invited to attend.

The Board will permit any Mutual member to speak at any regular Board meeting, special Board meeting or regular or special member meeting. Members may not attend an executive Board session.

The Board may establish a reasonable time limit in which an owner may speak.

The Board will only allow comments against the Board which are not slanderous and that are delivered in a non-belligerent manner, so that comments are not only constructive, but also are not threatening nor offensive to any person in attendance.

## OCCUPANCY

The Mutual's CC&Rs define who may occupy a residence. If a resident wants to hire a "live-in" employee, they should first contact Member Services, who will provide a copy of the approved procedure and arrange for a pass to be issued. Live-in employees (such as a nurse, housekeeper, etc.) may not use the community's recreational facilities.

To remain a qualified senior retirement community, 80% or more of M-61's residences must be occupied by at least one person who is at least 55 years old. Information about qualified permanent residents and care providers is available from Member Services. The Mutual requests that all owners/occupants provide the requested information about those residing in residences to ensure that the Mutual's qualification as a senior retirement community is not jeopardized, and so that Emergency Preparedness Coordinators are aware of occupancy.

### OWNER ACCESS TO BOARD MINUTES

Per California Civil Code §1363, owners may have access to minutes of Board meetings, other than meetings held in executive session, within 30 days of a meeting. Minutes may be reviewed at the Board Office at Gateway Complex.

Owners may have copies of minutes. The Mutual may charge for the distribution cost. Owner's written requests for copies of minutes should be sent to the Mutual's Board of Directors at 1001 Golden Rain Road, Walnut Creek, CA 94595.

## PAINTING

Residents must maintain the exterior of their buildings in a first-class condition. The Mutual has the final decision-making authority to determine when a building exterior requires painting.

Residents may not paint the exterior surfaces of buildings, including doors, without the Mutual's approval. The Mutual determines the color palette for the exterior surfaces of buildings, including trim and doors.

Residents may paint the interior of their residences without the Mutual's approval.

## PETS

Unless prohibited by the Board, each owner may keep no more than two dogs or two cats or any reasonable number of birds, fish, turtles, hamsters or other permanently-caged animals, provided that they are not kept, bred or maintained for any commercial purposes, and that they are kept under reasonable control at all times. Keeping and controlling pet animals is expressly subject to any controls or prohibitions that may be adopted by the Board, the Golden Rain Foundation or City of Walnut Creek.

No pets may be kept in the Mutual that become a nuisance. Pets that are determined by the Board to be noisy or obnoxious are subject to removal from the Mutual.

When pets are outside the residence, they must be on a leash at all times and the pet's owner is responsible for cleaning up if the pet defecates.

## POOL

Please read pool rules posted on cabana and spa rules posted by spa.

Use the "Buddy System". Don't swim or use the spa alone. There is no lifeguard and you are putting yourself at risk.

Guests must be accompanied by a resident. Our insurance is very clear on this. We are all co-owners and must comply with our insurance requirements.

Non-residents of Heritage Oaks (vendors, subcontractors, employees of residents, etc.) Should not use the pool or spa without a resident present.

The Red Phone is a direct line to Public Safety for emergency only.

The red button for the spa is an emergency shut-off. Do not press it to turn spa on. The blue button turns the spa on and off normally.

The do nots--no glass in pool area--no food in pool area--no pets--no running--no diving.

Remember to lock the restroom doors and turn off lights. Doors are locked from the inside by pushing the button on the handle. Return pool furniture and wind down umbrellas. The gates are also to be closed when you leave area.

Pool Hours: Adults: 8:00 a.m. to 9:00 p.m.

Under 18 years of age: Monday to Saturday - 11:30 a.m. to 1:00 p.m.

Sunday - Noon to 1:30 p.m.

## REGULATIONS

Noises, e.g., stereo, organ, radio, television, piano music, or party conversation are to be kept at a level which will not interfere with or be an annoyance to residents in neighboring residences.

Door-to-door campaigns or other forms of resident canvassing are prohibited, except when authorized by the Board.

No vehicle shall be repaired or rebuilt within M-61..

Owners who install new locks on front doors are requested to provide a key to GRF's Public Safety for emergency access capability.

## RESALES

In addition to the owner's disclosure responsibilities, it is the owner's responsibility to fully disclose to the buyer any pertinent information the Mutual or the Manager, as the Mutual's agent, gives to the owner during the resale process.



### SATELLITE DISHES AND TV ANTENNAS

Owners who want to install satellite dishes, TV antennas, wireless cable or any other type of TV or broadcast reception device, which can be seen from the common area must submit an alteration application (see page 2) and obtain approval of the ACC and Mutual Board.

To obtain permission to install a satellite dish, antenna, etc., owners must adhere to the following rules:

1. Antennas must be installed in a safe manner, not endangering other residents nor common area components.
2. If visible from a street or common area, they must be painted to blend into the surrounding area.

### **SMOKE DETECTORS**

Residences in M-61 will have operable smoke detectors in accordance with the building code requirements in effect when the unit was built, repaired or altered.

The Mutual may decide to periodically inspect smoke detectors, repair them and replace batteries, as needed.

### WORK SITE RULES

The following rules apply to contractors and other service providers employed by residents. Contractors should be made aware of these rules by residents before they submit an estimate for a job. Any exceptions to these rules require the authorization of a mutual director.

1. Normal work hours are 8:00 AM to 5:00 PM; operating noisy equipment or doing other work that disturbs neighbors outside these hours is not permitted.
2. Building utilities may not be interrupted without permission from a mutual director.
3. Walkways and stairways must be kept clear.
4. All job debris must be removed daily and the common area swept clean; do not discard any waste in the mutual's trash containers.
5. Park vehicles in marked parking areas; do not block garage doors.
6. Neither put nor store materials in common area or parking spaces.
7. Protect landscaping and paint finishes from all work activities; report any damage to a mutual director.
8. Do not operate radios, etc., so they can be heard outside by residents.



**WALNUT CREEK MUTUAL NO. SIXTY-ONE**

**MAINTENANCE AND REPAIR GUIDELINES**

Mutual Responsibility	Resident Responsibility
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<b>Appliances: Dishwashers, Refrigerators, Disposals, Ranges, Ovens, Vents, Hoods, Microwave Ovens, Water Heaters, Fireplaces, etc.</b>	
	<ul style="list-style-type: none"><li>• All appliances are the owner's property; all maintenance and repair is the owner's responsibility</li></ul>

Mutual Responsibility	Resident Responsibility
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Carpentry	
	<ul style="list-style-type: none"><li>• All interior and exterior components in buildings and garages are the owner's property; all maintenance and repair is the owner's responsibility</li></ul>

Mutual Responsibility	Resident Responsibility
<b>Electrical (Wiring and Components)</b>	
<ul style="list-style-type: none"><li>• Repair/replace walkway lighting fixtures and bulbs, including post-mounted lights at street edge</li></ul>	<ul style="list-style-type: none"><li>• All interior and exterior wiring and lighting components inside or on buildings and garages and all telephone and cable TV wiring are the owner's property; all maintenance and repair is the owner's</li></ul>



Mutual Responsibility	Resident Responsibility
Heating, Ventilating and Air Conditioning Systems	
	<ul style="list-style-type: none"><li>• Air conditioners and furnaces are the owner's property; all cleaning, maintenance, adjustments, lubrication, repair and replacement is the owner's responsibility</li></ul>

Mutual Responsibility	Resident Responsibility
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Landscaping in the Common Area	
<ul style="list-style-type: none"><li>• Maintenance of turf areas, ground cover, shrubs, trees, irrigation system and surface and sub-surface drainage in the common area and the fee-simple landscaping outside the unit owner's fenced-in area</li></ul>	<ul style="list-style-type: none"><li>• Maintenance of turf areas, ground cover, shrubs, trees, irrigation system and surface and sub-surface drainage in the unit owner's fenced-in area is the owner's responsibility</li></ul>

Mutual Responsibility	Resident Responsibility
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Painting	
	<ul style="list-style-type: none"><li>• Exterior surfaces of buildings and doors and exterior shells of air conditioning units and all interior surfaces of manors are the owner's responsibility</li></ul> <p><u>Note:</u></p> <ul style="list-style-type: none"><li>• Mutual dictates color palette for exterior surfaces of buildings, including trim and doors</li></ul>

Mutual Responsibility	Resident Responsibility
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Pest Control (Including Termites)	
<ul style="list-style-type: none"><li>• Exterior of buildings includes control of weeds, plant diseases, rodents, ants and other insects</li></ul>	<ul style="list-style-type: none"><li>• Interior of buildings includes control of rodents, ants and other insects</li><li>• Inspection for wood-eating insects</li></ul>

Mutual Responsibility	Resident Responsibility
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Plumbing	
	<ul style="list-style-type: none"><li>• All plumbing systems and fixtures in buildings and garages within the floor slab, wall or attic are the owner's property; all maintenance and repair is the owner's responsibility</li><li>• Fire service system ("sprinklers")</li></ul>

Amended March 23, 2004

Adopted February 9, 2001

Mutual Responsibility	Resident Responsibility
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Roofs	
	<ul style="list-style-type: none"><li>• Replacement, repair and alteration of roofs, gutters and downspouts</li></ul>

**MUTUAL OPERATIONS DIVISION CHARGES FOR  
MAINTENANCE AND REPAIR WORK**

**MUTUAL OPERATIONS DIVISION  
CHARGES FOR MAINTENANCE AND REPAIR WORK**

Labor Charge:

The hourly rate for each serviceperson (worker) on a job is calculated from the time they arrive at the residence or place of work until they depart. The labor charge, which is based on current costs and a mark-up for indirect expenses, is reviewed regularly and adjusted when necessary to recover the costs of providing services. A premium is assessed for work done at overtime rates [after hours and on weekends]. Current charges can be obtained by telephoning the Work Order Desk at 988-7650.

Material Charges:

Any materials needed to complete the job are charged in addition to labor.

Responsibility for Payment:

Items designated as "Mutual Responsibility" in Appendix A will be paid by Mutual No. 61. Items designated as "Resident Responsibility" will be paid by the owner. If resident-billable maintenance or repair is rendered by Mutual Operations Division (MOD), payment is required at the time that service is rendered.

Differences of Opinion:

Order desk personnel advise residents, at the time orders are called in, that some work items "may be billable" to them. Workers also advise residents before commencing work when the work is billable to them. After the worker arrives, if a resident chooses not to have the work performed, the resident will be billed a minimum service charge. If there is a difference of opinion between the worker and resident regarding cost or whether the item is the resident's responsibility, the worker will not commence work, will note "resident refused work" on the work order, and indicate the work is complete. The work order will be processed as usual and the worker's time will be billed as described.



**WALNUT CREEK MUTUAL NO. SIXTY-ONE**

**STANDING COMMITTEE CHARTERS**

## **BUILDING MAINTENANCE COMMITTEE**

The Committee is responsible for handling all structural questions of the owners relating to common area, external building and internal alteration issues in accord with established policies and plans. Any matter involving construction, drainage or alterations on any common area should be presented to the Committee before any alteration permit is requested from Mutual Operations Division (MOD).

The Committee reviews its activities with the Board of Directors of the Mutual, and, when necessary, recommends action on policy matters to the Board for approval. The Board will seek the counsel and advice of the Committee on building and drainage-related matters, as such may arise, and establish policy and procedures for handling common area construction, drainage and alteration matters.

The Committee will maintain close liaison with the Mutual Operations Division Building Maintenance Department. The Chairperson or Vice-Chairperson of the Committee is authorized to respond to Mutual Operations Division's inquiry for approval of a resident's request for repair of a Mutual-billable maintenance item.

### EMERGENCY PREPAREDNESS COMMITTEE

The scope of the Committee's activities and responsibilities is set by the overall Emergency Preparedness activities of Rossmoor.

### **LANDSCAPE MAINTENANCE COMMITTEE**

The Committee is responsible for coordinating all landscape matters, including irrigation, and resolving members' questions in accord with established policies and plans. Any matter involving landscape in the common areas, fenced yards, and decks, and alteration applications relating thereto, shall be reviewed with the Committee prior to any alteration permit being requested from GRF or further action by the member.

The Committee reviews its activities with the Board of Directors and recommends solutions to problems to the Board of Directors for decisions. The Board will seek the counsel and advice of the Committee on landscape and irrigation-related matters, as such may arise, and establish policy and procedures for handling landscape and alteration problems in the common area.

The Committee will maintain close liaison with the Mutual Operations Division Landscape Department and landscape contractors involved in Heritage Oaks' landscape planning and maintenance. Members of the Committee will accompany the Landscape Maintenance Manager or his representative on a monthly walk-through to inspect landscape in all of Heritage Oaks.

### SOCIAL COMMITTEE

The Committee is responsible for planning and scheduling such social activities as it deems appropriate. The Committee will prepare the social plans for each year and present such to the Board for approval. The budgeted plans for each function will be reviewed by the Board prior to the event and should result in a break-even result with charges to the members determined at a reasonable level.

Recognizing that funds for each event may be required for deposits on catering contracts and the purchase of supplies before revenue is incoming from members' fees for the event, the Board will arrange a starting fund, not to exceed \$1,000, to be used in such situations. The amount of the revolving funds used shall be replenished as income is received for the event.



## BOARD OF DIRECTORS

### WALNUT CREEK MUTUAL NO. SIXTY-ONE (HERITAGE OAK)

#### POLICY REGARDING MEMBER ACCESS TO MUTUAL RECORDS

*The following sets forth the policy of Walnut Creek Mutual No. Sixty-One (the "Mutual") by Members concerning inspection and copying of records of the Mutual (the "Policy").*

Mutual Members shall have access to records of the Mutual for the purpose of inspection and obtaining copies as provided in this Policy. Access to records will be provided to a requesting Member or, in most cases, to the authorized representative of the requesting Member, provided that the Member's designation of such representative is in writing signed by the Member and delivered to the Mutual. Only Members (and not their representatives) are entitled to inspection of or a copy of the Membership list.

**Article 1. Definitions.** For purposes of this Policy, there are two categories of Mutual Records which shall be referred to as "Tier One Records" and "Tier Two Records."

**1.1 "Tier One Records."** Tier One Records shall consist of the following:

- a) the current governing documents of the Mutual (i.e., Articles of Incorporation, Bylaws, Declaration of Covenants, Conditions and Restrictions ("CC&Rs"), and Rules and Policies adopted by the Board);
- b) the membership list which shall set forth the name, property address and mailing address of all Mutual Members except those who have opted out as provided in this Policy and by law;
- c) agendas and minutes of meetings of the Board of Directors of the Mutual (excluding agendas, minutes and other information relating to executive sessions of the Board and matters considered or discussed in executive session), of the Members, any Committee of the Board (a committee comprised only of Board members), and any committee appointed by the Board that has decision making authority; documents required to be provided to the Members under Sections 1365 or 1368 of the California Civil Code;

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- d) unaudited financial statements, periodic or as compiled, that contain a balance sheet, an income and expense statement and/or a budget comparison;
- e) state and federal tax returns; statements showing the balances in the Mutual's operating and reserve accounts and payments made from the reserve account;
- f) and any other records described as "Association records" in Section 1365.2 (a) (1) of the California *Civil Code*.

**1.2 Tier Two Records.** "Tier Two Records" shall consist of the following:

- a) invoices;
- b) receipts; cancelled checks drawn on Mutual checking accounts;
- c) periodic statements for credit card accounts in the name of the Mutual;
- d) statements for services rendered by third party service providers;
- e) purchase orders approved by the Mutual;
- f) reimbursement requests; and
- g) other records described as "enhanced association records" in Section 1365.2 (a) (2) of the California *Civil Code*.

**Article 2 Membership List.**

**2.1 Procedures for Obtaining Membership List.** Upon submission to the Board Services Office (located at Gateway, 1001 Golden Rain Road, Rossmore) of a written request for access to the membership list of the Mutual, which written request states a purpose that is reasonably related to the requesting Member's interest as a Member of the Mutual for which access is requested, the Mutual will make the membership list setting forth the names, property addresses and mailing addresses of the Members of the Mutual available for inspection or copying by the requesting Member within five (5) business days after receipt of a proper written request in the Board Services Office.

**2.2 Exceptions; Member's Right to "Opt Out."** A requesting Member's right of access to the membership list shall be subject to the following exceptions:

- a) Any Member shall have the right to opt out, as provided in Section 1365.2 (a) of the California *Civil Code*, of having his or her name, property address and mailing address included in the membership list by filing with the Board Services Office an Opt Out Notice signed by such Member, which Notice shall be in a form approved by the Mutual.
- b) With respect to any Member who has filed a proper Opt Out Notice with the Board Services Office, the Mutual shall redact such Member's name,



property address and mailing address from the membership list provided to a requesting Member.

- c) At the time the Board Services Office makes the membership list available to the requesting Member for inspection and copying, the Mutual shall provide the requesting Member in writing with a reasonable method of achieving the purpose stated in such Member's request for access to the membership list as an alternative to providing the name, property address and mailing address of any Member who has filed an Opt Out Notice with the Board Services Office.
- d) The Mutual shall have the right, subject to the provisions of Section 1365.2 (a) (1) (I) (ii) of the California *Civil Code*, to deny a Member's request for access to the membership list if the Mutual reasonably believes that the information in the list will be used for a purpose other than that stated in the request, provided that in denying the request the Mutual shall notify the requesting Member in writing of the reason for denying the request.

#### Article 3 Minutes.

**3.1 Board Meetings.** Minutes of Board meetings (not including minutes, if any, of executive sessions) in final or, if not yet in final, in draft or summary form shall be provided within 30 days after the date of the meeting or, if a proper written request for access to such minutes is received later than 30 days after the date of any Board meeting, within 10 business days after such request for such minutes has been received in the Board Services Office.

**3.2 Membership and Committee Meetings.** Minutes of membership meetings and minutes of meetings of any Committee of the Board (a committee composed solely of Board members) and of meetings of any committee appointed by the Board that has decision-making authority shall be made available as hereinafter provided.

**Article 4 Other Records.** Requests for any other records shall be submitted in writing to the Board Services Office and shall state with specificity which record or records are being requested, identifying all such records by type, name, and date or time period applicable to the record or records requested. Records, other than the current membership list and minutes of Board meetings, for the current fiscal year and for the two fiscal years immediately preceding the current fiscal year and which are properly requested by a Member will be made available by the Mutual. Records for periods other than the current fiscal year and the two immediately preceding fiscal years will be made available only in exceptional cases as determined by the Board in its sole discretion. Minutes will be made available without regard to the year in which the meeting to which requested minutes relate was held.

## **Article 5 When Records Will Be Made Available.**

**5.1 In General.** Except as otherwise provided in this Policy, requested records prepared during the current fiscal year will be made available within 10 business days after a proper written request for such records is filed in the Board Services Office, and requested records prepared prior to the current fiscal year and to be made available as provided in this Policy will be made available within 30 calendar days after a proper written request is filed in the Board Services Office.

**5.2 Minutes of Membership Meetings.** Minutes of the most recent membership meeting will be made available within 10 business days after a proper request is filed in the Board Services Office and, if such minutes have not yet been approved, they will be provided in draft or summary form. Minutes of other membership meetings will be made available within 30 days after a proper request is filed in the Board Services Office.

**5.3 Committee Meeting Minutes.** Minutes of meetings of committees shall be made available within 15 days after a proper request has been filed in the Board Services Office or within 15 days after such minutes have been approved, whichever is later, provided, however, that, as provided in *Civil Code* Section 1365.2, the Mutual shall not be obligated to make committee minutes available prior to January 1, 2007.

**Article 6: Member Request for Mailing of Copies.** A Member may submit a written request to the Board Services Office for copies of specifically identified records that are to be made available under this Policy including a request that those records be mailed to the Member. If a request is submitted for the mailing of records to a requesting Member, the Mutual shall mail the requested records to the Member within the applicable time period set forth in this Policy.

**Article 7 Member Request for Receipt of Records By Electronic Transmission.** A Member may submit a written request to receive records that are to be made available under this Policy by means of electronic transmission or machine-readable media and the requested records shall be made available in that manner as long as such records may be so transmitted in a redacted format that does not allow the records to be altered.

## **Article 8 Withholding or Redacting of Certain Information.**

**8.1 Information Which May be Withheld or Redacted.** The Mutual may withhold or redact from records made available to a Member the following information:

- a) information that is reasonably likely to lead to identity theft as defined in Section 1365.2 of the California *Civil Code*;
- b) information that is reasonably likely to lead to fraud in connection with the Mutual;
- c) information that is privileged under the law;
- d) information that is reasonably likely to compromise the privacy of an individual Member;
- e) information consisting of records of a-la-carte goods or services provided by the Mutual to individual Members for which the Mutual received monetary payment other than assessments;
- f) information consisting of records of disciplinary actions, collection activities or payment plans relating to Members other than the requesting Member;
- g) the personal identification information of a person as described in Section 1365.2 of the California *Civil Code*;
- h) agendas, minutes and information from executive sessions of the Board of Directors, except that executed contracts that are not otherwise privileged shall not be withheld;
- i) personnel records of Mutual employees other than compensation information that may not be withheld or redacted as provided in Section 1365.2 of the California *Civil Code*; and
- j) architectural plans, including security features, for the interior of individual Manors.

**8.2 Employee Compensation.** The Mutual will not withhold or redact information regarding compensation of individual employees of the Mutual except that such information will be set forth by job classification or title and in a manner that will not identify an employee's name, social security number and other personal information.

**8.3 Legal Basis for Withholding or Redacting Information.** Upon the written request of a Member, the Mutual will specify the legal basis for withholding or redacting information withheld or redacted in making records available to such Member.

**Article 9 Reimbursement of Costs Incurred by Mutual in Making Records Available.**

**9.1 In General.** A requesting Member shall reimburse the Mutual the amount of the costs directly and actually incurred by the Mutual in connection with the copying of the requested records and, if a Member requests that records be mailed to the Member, the amount of the actual cost of such mailing.

**9.2 Estimate; Member Agreement to Reimburse Mutual.** Prior to making records available and prior to mailing any records to a Member, the Mutual shall notify the Member in writing of the cost of copying and mailing of the requested records and the Member shall agree in writing to reimburse the stated amount to the Mutual before the records are made available.

**9.3 Costs of Redacting.** A requesting Member shall also reimburse the Mutual for the actual costs of redacting information from records made available in accordance with this Policy, provided that the amount to be reimbursed to the Mutual in connection with the redacting of information from records made available to a requesting Member shall not exceed the amount of \$10.00 per hour and a maximum amount of \$200.00 and provided, further, that the Mutual shall notify a requesting Member in advance of the cost of redacting such information and the Member shall agree in writing to reimburse the Mutual in the stated amount before the records are made available.

**Article 10 Improper Use of Mutual Records Prohibited.** In no event shall Mutual records or any information contained in such records be sold, used for any commercial purpose or used for any purpose not reasonably related to a Member's interest as a Member of the Mutual and the Mutual shall have all rights provided by law to enforce this provision including the obtaining of injunctive relief and the recovery of damages and the costs and expenses incurred in any enforcement action or proceeding.

**Article 11 Conflicts.** This Policy has been prepared in accordance with and in compliance with Civil Code section 1365.2 effective July 1, 2006. The Mutual's Bylaws were adopted on August 10, 1998 and reflect the then-current laws governing Member inspection of records. In the event of a conflict between the terms of this Policy and Section 3.4 (entitled "Books and Records"), Section 3.5 (entitled "Minutes") and Section 3.6 (entitled "Distribution of Project Documents") of the Mutual's Bylaws, the terms of this Policy shall control.

# Walnut Creek Mutual No. Sixty-One (Heritage Oak) Voting and Election Rules

These Voting and Election Rules were adopted by the Board on June 27, 2006, and are intended to comply with the requirements of Civil Code § 1363.03(a). These Rules shall be effective as of July 1, 2006, shall supersede any other voting rules of the Mutual, and shall remain in effect until modified by the Board.

## Article 1

## MEDIA

1.1 Access to Mutual Media – Candidates for the Board. The board may but is not required to make Mutual media (i.e., notices mailed or delivered by the Mutual to the owners or the Lots/Residences) available to qualified candidates running for election to the board for purposes that are reasonably related to the election in which that candidate is running. If the board allows any candidate access to Mutual media, then all qualified candidates shall be allowed equal access to the same media.

1.2 Access to Mutual Media – Other Matters. If the board utilizes Mutual media to advocate a point of view on any matter (other than election of directors) that requires member approval, or allows any member access to Mutual media for that purpose, then all members advocating a different point view shall be allowed equal access to the same media. The board shall not be required to allow access to more than one member advocating the same point of view.

1.3 “Equal Access”. “Equal access” shall mean, in the case of written statements, publication of written statements not to exceed a predetermined number of words and, in the case of statements made at Mutual-sponsored forums by candidates for election to the Board, proponents and opponents of measures under consideration, statements not to exceed a predetermined length of time. The board shall not edit or redact any statement, but shall not be required to publish any statement that exceeds the predetermined length restrictions.

1.4 Responsibility for Content. All statements published in Mutual media pursuant to the “equal access” rules must identify the author or proponent. No anonymous statements will be permitted. The author and/or proponent of any statement or point of view shall be solely responsible and liable for the content of their statements. The Mutual shall not be responsible or liable for the content of any statement published pursuant to the “equal access” rules. Statements on behalf of candidates for election to the board shall be limited to personal statements by the candidate concerning the candidate’s qualifications to serve on the board.

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## Article 2

### VOTING BY SECRET BALLOTS

All voting by the members shall be conducted by secret ballot using a "double envelope system" as described in Civil Code section 1363.03(e). The ballot and envelopes shall be mailed or delivered to the members entitled to vote in the vote or election.

## Article 3

### INSPECTORS OF ELECTION

3.1 Appointment of Inspectors. Whenever there is a membership vote or election, the board shall appoint one or three inspectors of election.

3.2 Qualification of Inspectors of Election. Inspectors may be any persons the board reasonably believes to be independent with respect to the matter or matters being voted on and may include the Mutual's manager (i.e., staff of Mutual Operations Division or "MOD"), accountant or legal counsel, or members of the Mutual, but may not be a member of the board or a candidate for election to the board or a family member of a current member of the board or of a candidate.

3.3 Indemnification of Inspectors; Liability Insurance. Inspectors of election shall be deemed to be agents of the Mutual for purposes of Corporations Code section 7237 and shall be entitled to indemnification by the Mutual to the fullest extent provided by law. As provided in Corporations Code section 7237(i), the Mutual shall have the power to purchase and maintain insurance on behalf of any agent of the Mutual against any liability asserted against or incurred by the agent in his or her capacity as an agent of the Mutual or arising out of the agent's status as such, whether or not the Mutual would have the power to indemnify the agent against such liability under the provisions of Corporations Code section 7237.

## Article 4

### CANDIDATES FOR THE BOARD

4.1 Qualification of Candidates. Candidates for the board must be members in good standing who have not been declared of unsound mind by a final order of court or been convicted of a felony (Corporations Code section 7221(a)). "Member" means the record Owner (a person who holds legal title to the property, i.e., is named in the deed for the property).

4.2 Nominations. The board shall publish a notice recruiting candidates for the board and stating the deadline for receipt of nominations. Any member who satisfies the qualifications may place his or her name in nomination for the board by giving written notice to the board before the published deadline for receiving nominations. In addition, the board shall appoint a nominating committee to nominate qualified candidates (Bylaws, Section 5.2.1).

## Article 5 MEMBER VOTING RIGHTS

5.1 Qualification for Voting. Only members in good standing shall be allowed to vote. A member shall be deemed to be in good standing unless, after notice to the member and an opportunity for hearing, the board has found the member to be not in good standing and has so

notified the member in accordance with Civil Code section 1363(h). As long as any co-owner of a Lot is not in good standing, no vote shall be permitted for the unit/manor.

5.2 Voting Power of Each Membership. Only one vote shall be cast for each Lot. Once a ballot is received by the inspector of election, it may not be rescinded. Cumulative voting shall be permitted in the election of directors (Bylaws Sections 4.5 and 5.2.2).

5.3 Election by Acclamation. If, as of the published deadline for receiving nominations, the number of qualified candidates for election to the board is not more than the number of directors to be elected, then the qualified candidates shall be declared elected and written notice of the election shall be given to the members.

5.4 Proxies. As defined in Corporations Code section 5069, "proxy" means a written authorization signed by a member or the member's attorney-in-fact giving another person or persons power to vote on behalf of such member. In any election or vote of the members conducted by the Mutual, only official ballots issued by the Mutual shall be counted as votes. Proxies are not ballots and are not valid as votes in any election or vote conducted by the Mutual.

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