

**WALNUT CREEK MUTUAL NO. SIXTY-FIVE
RENTAL RULES TO COMPLY WITH CIVIL CODE SECTION 4741**

These Rental Rules ("Rental Rules") for Walnut Creek Mutual No. Sixty-Five ("Mutual") are adopted to clarify, supplement, and, as set forth below, conform to law the cap on the number of rental Condominiums permitted within the Development as set forth in Section 5.5 of the Second Amended and Restated Declaration of Covenants, Conditions and Restrictions of Walnut Creek Mutual No. Sixty-Five ("Declaration") recorded on October 5, 2020 as Document No. 2020-0226933. These Rental Rules are being adopted pursuant to Civil Code section 4355(b)(4), which permits a rule change that is required by law if the Board has no discretion as to the substantive effect of the rule change, because the existing rental cap will be unenforceable as of January 1, 2021 pursuant to Civil Code section 4741(b) and because Civil Code section 4741(f) requires the Mutual to amend its Governing Documents, including its operating rules, to bring them into compliance with the new law. These Rental Rules are intended to comply with Civil Code section 4741.

When adopted by the Board, these Rental Rules will become part of the Mutual's Governing Documents, as that term is defined in the Declaration. These Rental Rules shall supplement, not replace, Article 5 of the Declaration ("Renting or Leasing") with the exception of the approximately 11% (5 Units) rental cap referenced in section 5.5. All capitalized terms in these Rental Rules shall have the same meaning as set forth in the Declaration, unless otherwise clearly indicated.

1. Rental Cap. The approximately eleven percent (11%, or 5 Units) cap on the maximum number of Condominiums that may be rented at any one time within the Development, as set forth in Section 5.5 of the Declaration, is hereby changed to twenty-five percent (25%) to conform to Civil Code section 4741(f).
2. Legacy Status. The date by which legacy status is calculated (as referenced in Section 5.5.1 of the Declaration) shall remain the same: September 29, 2011. This date is the day after the date of recordation for the Declaration in which the rental cap was originally stated and is when the rental cap became effective pursuant to the terms of the Declaration. Preservation of the legacy status date means that any Owner who took title to their Condominium on or before September 29, 2011 shall be entitled to rent without regard to the limitation on the number of authorized rentals ("rental cap").

The foregoing Rental Rules were adopted by the Board of Directors of Walnut Creek Mutual No. Sixty-Five at an open meeting of the Board held on December 16, 2020 pursuant to Civil Code section 4355(b)(4) and are effective as of that date.

Date: December 16, 2020

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By: Anne Paone, Assistant Secretary
Walnut Creek Mutual No. Sixty-Five