

## MINUTES

WALNUT CREEK MUTUAL SIXTY-FIVE (DEVONSHIRE)  
SPECIAL MEETING OF THE BOARD OF DIRECTORS  
WEDNESDAY, DECEMBER 16, 2020 AT 10:00 A.M.  
ZOOM

President Tom Lenz called to order a special meeting of the Board of Directors of WALNUT CREEK MUTUAL SIXTY-FIVE at 10:00 a.m. on Wednesday, December 16, 2020, via Zoom.

PRESENT: Tom Lenz, President  
Richard (Dick) Walsh, First Vice President  
Lois Kadosh, Second Vice President  
Clark Nelson, Treasurer

EXCUSED: Ed O'Dea, Secretary

Staff: Anne Paone, Administrative Secretary.

There was also 1 resident present.

### NEW BUSINESS

1. Adoption of Rental Rules – Mr. Lenz explained the new rental rules. They increase the Mutual rental cap from 11% to 25%, per civil code. That translates to 11 units allowed to rent. The Board has no choice as this is mandated and therefore no comments were solicited from the members.

### RESOLUTION OF THE BOARD OF DIRECTORS TO ADOPT RENTAL RULES

- A. WHEREAS, Civil Code section 4741(b), effective January 1, 2021, prohibits the adoption or enforcement of a cap on the number of rentals in a common interest to development to less than 25%;
- B. WHEREAS, Civil Code section 4741(f), effective January 1, 2021, requires common interest developments to revise their governing documents (which, by definition, including operating rules) to comply with the new law;
- C. WHEREAS, Section 5.5 of the Second Amended and Restated Declaration of Covenants, Conditions and Restrictions of Walnut Creek Mutual No. Sixty-Five ("Declaration") contains rental restrictions which are contrary to Civil Code section 4741, namely a rental cap of 5 Units, or approximately 11%;
- D. WHEREAS, there is not enough time to amend the CC&Rs to conform to the law prior to January 1, 2021;

- E. WHEREAS, Civil Code section 4355(b)(4) authorizes the Board to adopt rule changes in instances such as this one, where the rule change is required by law, and the Board has no discretion as to the substantive effect of the rule change; and
- F. WHEREAS, the Board of Directors has consulted with the Association's legal counsel who has advised the Board to adopt rental rules to comply with Civil Code section 4741.

**THE BOARD HEREBY RESOLVES:**

- 1. To adopt the attached Rental Rules in order to comply with Civil Code section 4741; and
- 2. To put the matter of an amendment to the CC&Rs to comply with Civil Code section 4741 to a member vote in 2021, with the intent that, if approved by the members, such amendment would take effect prior to January 1, 2022.

*Adopted by the Board of Directors on December 16, 2020. Certified By:*  
Anne Paone, Assistant Secretary

*Mr. Lenz moved to adopt the Rental Rules as presented in the Resolution in order to comply with Civil Code section 4741; and to put the matter of an amendment to the CC&Rs to comply with Civil Code section 4741 to a member vote in 2021, with the intent that, if approved by the members, such amendment would take effect prior to January 1, 2022. Mr. Walsh seconded and the motion carried without dissent.*

TABULATION-Special Assessment

TABULATION RESULTS – MUTUAL SIXTY-FIVE

RESULTS OF THE COUNTING OF BALLOTS  
MEMBERSHIP VOTE ON SPECIAL ASSESSMENT

John McDonnell was the Inspector of Election.

TOTAL BALLOTS RECEIVED	36
TOTAL VALID BALLOTS	35
TOTAL INVALID BALLOTS	1
TOTAL BALLOTS <b>FOR</b>	<b>34</b>
TOTAL BALLOTS AGAINST	1

(REQUIRED QUORUM) 23

The Special Assessment Passed.  
The Board agreed the payment due date is January 31, 2021.

*Mr. Nelson moved to give President Lenz the authority to extend payments to June 30, 2021 should he or the Board receive individual requests. Ms. Kadosh seconded and the motion carried without dissent.*

#### RESIDENTS' FORUM

A resident asked about rental restrictions.

#### ADJOURNMENT

The next meeting will be the regular Board Meeting on Tuesday, January 19, 2021 at 9:30 a.m. via Zoom.

Having no further business, the meeting adjourned at 10:31 a.m.



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Anne Paone, Assistant Secretary  
Walnut Creek Mutual Sixty-Five