

WALNUT CREEK MUTUAL NO. 8
POLICIES

Table of Contents

Preface.....	1
Definitions	2
Alterations.....	3
Appliance Replacements	4
Bird Seed Feeders	5
Carport Stalls, Entries, Common Areas	6
Commercial Activities.....	9
Committees... ..	10
Delinquencies	11
Electric Vehicle Charging Stations	13
Enforcement and Fining	18
Financial Activities	22
Hearings	24
Insurance	25
Investments	26
Landscaping	27
Laundry Rooms	28
Leasing.....	29
Maintenance	30
Meetings	31
Member Access to Board Minutes	32
Miscellaneous Regulations	33
Non-Compliance with Policies or Regulations.....	34
Painting.....	35
Parking	36
Pets and Animals.....	37
Plant Containers/Catch Basins	38
Resales and Resale Inspections.....	39
Satellite Dishes & TV Antennas	40
Solar Energy	41
Smoke Detectors	49
Wheelchair Ramps.....	50
Work Site Rules	51

Appendix A:	Maintenance and Repair Guideline
Appendix B:	Charges for Maintenance and Repair Work
Appendix C:	Private Garden Permits
Appendix D:	Nomination and Election of Directors
Appendix E:	Mutual Binder
Appendix F:	Executing Alteration Agreement
Appendix G:	Member Access to Mutual Records
Appendix H:	Voting and Election Rules
Appendix I:	Installation, Indemnification and Maintenance Agreement
Appendix J:	Senior Housing Residency Restrictions and Guest Policy

PREFACE

These policies constitute the rules and regulations adopted by Walnut Creek Mutual No. Eight ("Mutual" or "Mutual Eight") and apply to all Members and Residents of the Mutual. These policies are "operating rules" as that term is defined in *Civil Code* section 4340(a).

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

Policies are adopted by the Board in accordance with the Davis-Stirling Act procedures and do not require a Member vote. Notice of policy or rule changes will be given pursuant to *Civil Code* section 4360, i.e., the Members will be given at least 28 days to review and comment on the proposed changes before they are adopted by the Board at an open meeting.

These policies are not all-inclusive, and if they conflict with the Mutual's other governing documents (Articles of Incorporation, Amended Bylaws ("Bylaws"), Occupancy Agreements, Establishing Declaration, and/or Declaration of Covenants, Conditions and Restrictions ("CC&RS")), the latter take precedence.

Mutual Eight has contracted with the Golden Rain Foundation (GRF) to assist the Board in the management, operation, maintenance, and administration of Mutual Eight. 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 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.

DEFINITIONS

Alteration: any change made by a Member or Shareholder to any part of a building or landscaped area owned by the Mutual.

Common Area: all of the property, both land and buildings, owned by Mutual Eight. Members are entitled to occupy a particular Manor/Unit by virtue of their ownership of a share of stock in the corporation.

Declaration of Covenants, Conditions and Restrictions ("CC&Rs"): property use restrictions common to many parcels of land under development that are recorded at the request of the developer in the county recorder's property books and records.

Design Review Committee ("DRC"): the DRC is appointed by the Mutual Eight Board of Directors. The committee reviews proposed alterations to ensure they conform aesthetically to the rest of Mutual Eight and the greater Rossmoor community and also follow the Alterations Guidelines required by the Mutual and the MOD Alterations Department.

Governing Documents: Occupancy Agreement (lease), Articles of Incorporation, Bylaws, Establishing Declaration, CC&Rs, and the Policies.

Member: as more fully defined in the Bylaws, the owner of a share of stock in the Mutual. Also referred to as "Shareholder."

Occupancy Agreement: a formal lease agreement between the Mutual and a shareholder delineating the address of the unit to be occupied and the terms and conditions associated with its occupancy.

Shareholder: an owner of one or more shares of stock in Mutual Eight.

Stock Certificate: a certificate evidencing ownership of a share of stock in Mutual Eight.

ALTERATIONS TO MUTUAL COMMON AREAS OR THE EXTERIOR OF A RESIDENCE AND OTHER STRUCTURAL CHANGES

Any alteration to: the exterior of a building; garage; patio; deck; privacy fence; atrium; perimeter fence; Common Area, including placing or installing objects of a permanent nature in the Common Area; or any other change that affects the structural integrity or common systems (e.g., plumbing, electrical, HVAC) of a building is prohibited without the specific prior approval of the Mutual's Design Review Committee ("DRC"). All installation costs and subsequent maintenance costs related to the altered component are the Member's responsibility, including any incidental residence repair or reconstruction costs that arise because of an alteration. Any changes in allocation of maintenance responsibility must be noted in the unit's Alterations file in order to ensure that they are binding on future owners.

On transfer of membership, the seller is required to obtain the buyer's written agreement to accept full responsibility for proper maintenance of the alteration, said written agreement to be included in the unit's MOD Alterations Department file. If the buyer will not accept such responsibility, in writing, the alteration must be removed and the unit restored to its original configuration at the seller's expense.

Alterations Inside a Residence.

Generally, cosmetic alterations to the interior of a residence do not require the Board's nor the DRC's approval. Interior alterations that affect the structural integrity, common systems, or safety of the building, such as plumbing alterations, or hard-wired lighting fixtures or appliances (including water heaters, air conditioning units or heat pumps), require the approval of the DRC. Even if such changes do not require DRC approval, they may require a City of Walnut Creek permit. It would be prudent for Members to consult with the Mutual Eight Building Committee or Board before proceeding with any interior changes. The Mutual is not responsible for maintenance, replacement or repair of interior alterations.

Procedure for getting an alteration approved:

1. Discuss plans with the Mutual Eight Building 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 MOD, who will forward the information to the Design Review Committee. Fees associated with this process will be charged at the time the application is submitted for approval.
4. If the alteration requires a building permit from the City of Walnut Creek Building Department, the Member is responsible for obtaining the permit and paying any associated fees to the city.

APPLIANCE REPLACEMENTS

The Mutual will participate in the cost of replacement of appliances installed in Manors and for which it has responsibility as follows:

Standard Model.

If the appliance becomes inoperative in normal use, regardless of its age, and cannot be repaired for less than one-third (1/3) of its replacement cost, it will be replaced with a currently standard model secured by the Mutual, at no cost to the Member.

Non-Standard Model.

If a non-standard model becomes inoperative, it will be replaced with a currently standard model secured by the Mutual, at no cost to the Member. Any modification of the cabinetry to accommodate the standard model is the responsibility of the Member.

If a non-standard model becomes inoperative and the Member requests a non-standard replacement, the Mutual will allow a credit equal to the cost of a standard model. The balance of the cost of the appliance and any installation costs or modification of cabinetry are the responsibility of the Member.

Non-standard appliances are not maintained or repaired by the Mutual. The Member is responsible for such maintenance.

Residents have the option of either a glass or wire shelf for refrigerators.

The new appliance will be considered Mutual property. The old appliance becomes the property of the Member and may be disposed of as he/she chooses at the Member's expense.

BIRD SEED FEEDERS

Maintaining and using bird seed feeders; scattering bird seed outside; or feeding all other wild, feral, or domesticated animals outside are prohibited because doing so attracts rodents, insects, and other vermin. If bird seed feeders are discovered, the Resident will be required to remove the feed and feeder immediately upon notification.

CARPORT STALLS, ENTRIES, COMMON AREAS

1. Assignment of Space.

- A. Resident use or occupation of space on or in property of the Mutual without specific authority in writing from the Board is prohibited.
- B. Carport space assignments are on file in the MOD accounting office. Any proposed *permanent exchange* of carport spaces between Residents must be requested in writing and presented to the Mutual Board for approval by the Board. Exchange of carport spaces without Board approval is prohibited. The Board will notify the MOD accounting office of the permanent exchange.
 - i. No Resident may rent his/her assigned carport except to another Resident of Mutual Eight.
 - ii. Residents renting their assigned carport must notify the Mutual Board of the new occupant of the carport at the start of the rental period, so that the Board can contact the vehicle's owner in case of emergency.

2. Carports, Parking, and Guest Parking.

- A. Each Member will keep his or her carport areas in a neat and orderly condition. No material, boxes, trunks, or anything other than a vehicle shall be placed in a carport so as to be visible when the carport is not occupied by a vehicle, except with prior written approval of the Board.
- B. No gas generators or flammable material, including but not limited to items such as paints and stains, may be stored in a carport area.
- C. Installation of storage cabinets in a carport area must be approved by the Board.
- D. Carports may not be used as workshops.
- E. No carport area may be modified or changed to eliminate its primary function of housing motor vehicles. Any proposed alteration or modification of the carport from its initial construction must be submitted to the Architectural Control Committee and Board for review and approval via an Alteration Application (see page 3).
- F. Trailers, campers, boats, and trucks that exceed the size of a passenger car or are used for purposes other than transportation may not be parked in Residential areas, including carports, guest parking areas, streets, or community parking areas unless they are in a community parking area designated for that purpose.

- G. All uncovered parking spaces are marked "Visitors Only," with the exception of up to 10 uncovered spaces, each to be designated "Resident Lease # Only".
- H. Residents' vehicles shall not be parked in the Mutual's "Visitors Only" parking spaces. The only exceptions are when access to the Resident's own carport is blocked temporarily or for temporary loading or unloading.
- I. Residents' vehicles that are not in a carport or in a leased uncovered space can be parked on Rossmoor roadways, as permitted. Please note that parking is not allowed on Skycrest Drive. The City of Walnut Creek sets its own time limits for parking on the streets within Rossmoor.
- J. Visitor parking is limited to 72 hours.
 - i. Guests, including visiting family members, staying beyond 72 hours can park on Rossmoor roadways.
 - ii. A person leasing a manor from a Mutual Eight Resident can park either in the Resident's assigned carport or on a Rossmoor roadway.
- K. Leasing Mutual-owned parking spaces:

Only members of households in Mutual Eight with two licensed active drivers owning two registered active vehicles are eligible to lease one of the 8 carports owned by the Mutual in parking area 805 (under 1208 Skycrest) or one of the up to 10 uncovered parking spaces distributed among the 4 entries, each designated "Resident Lease # Only".

- i. An exception to the requirement of two licensed active drivers owning two registered active vehicles is made for Residents leasing spaces in parking area 805 (under 1208 Skycrest) as of March 24, 2015; the eight current tenants shall be given "legacy status," allowing them to remain according to their original contract with Mutual Eight, and current at the time of their original lease. Legacy status parking spaces are not assignable.
- ii. Parking leases with the Mutual run from January to December. Each December, Residents requesting renewal will re-confirm the household has two active drivers and two active cars by presenting to the Board the drivers' currently valid drivers' licenses and the vehicles' currently valid registrations.
- iii. The carport spaces in parking area 805 (under 1208 Skycrest) and the leased uncovered parking spaces remain the property of the Mutual. Subleasing or renting of these parking spaces is not permitted. Residents whose circumstances change during the year may end their lease and apply to the Board for a refund of their remaining payment.

- iv. Initial leases for up to 10 uncovered spaces will be assigned by date of application and are valid through the end of the calendar year. In the case of 11 or more requests, a lottery will be held to award the 10 leases.
 - v. A combined waiting list for leased parking spaces in parking area 805 (under 1208 Skycrest) or uncovered parking spaces shall be maintained in the MOD accounting office.
 - vi. The cost of the lease for a carport in parking area 805 and of a designated uncovered space will be set by the Board as of January 1st, each paid to the Mutual through the MOD accounting office for the remainder of the year and thereafter in January for the upcoming 12 months. These fees may be adjusted as needed by a vote of the Mutual Board.
- L. If Residents in a household use two carports or a combination of a carport and a leased uncovered space in Mutual Eight, then both vehicles must be owned by the Residents, and neither parking space may be used as a storage area for a vehicle not currently registered.
 - M. Residents in a household in Mutual Eight may lease no more than one additional carport or uncovered space from Mutual Eight. An exception is made for Residents who wish to lease additional parking for a golf cart under the overhang of Building 1208 or 1232.
 - N. The use of golf cart battery chargers is prohibited in carports with manors over them. Battery chargers must be used on a non-flammable surface and placed at least one foot away from other facilities, must be equipped with an overload fuse or circuit breaker, and must be disconnected from power source when not in use. Extension cords must meet specifications of the manufacturer for the equipment with which it is being used.
 - O. Golf cart parking may be leased in covered Common Areas in Entry 2 at the north ends of buildings 1208 and 1232 Skycrest Drive, after the spaces have been equipped with individual 20-amp outlets. The monthly fee for this use shall be half of the fee charged for leased carport space under building 1208.
 - P. Residents using golf cart parking must sign a Golf Cart Space Rental Agreement and abide by its terms.
 - Q. All Residents parking an electric golf cart in Mutual Eight are charged a monthly Electric Charging Fee, which is billed by and paid annually to MOD accounting office. This Fee can be changed by a vote of the Mutual Board.

3. Entries, Crawl Spaces, and Attics.

Except for limited decorative purposes in the entryway which do not impede the path of travel, a Resident's personal property may not be stored in unit entryways, crawl spaces, or attics.

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 Resident'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 are obtained.

COMMITTEES

Standing Committees.

The following are the Mutual's Standing Committees:

- Emergency Preparedness
- Finance
- Landscape Maintenance

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.

Special Committees.

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

All committee members serve at the pleasure of the Board and may be removed at any time by the Board.

DELINQUENCIES

The Mutual shall annually distribute its Delinquent Assessment Collection Policy with its annual policy statement.

Delinquent Assessments.

Assessments (often called “the coupon”) 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 \$15.00 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 twelve percent (12%) 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 Member'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 California Civil Code section 5660, the Mutual will notify the Member, in writing, via certified mail and regular mail, of the Mutual's:

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

If a Member has been delinquent for more than 90 days, the Mutual will send a letter to the delinquent Member stating that payment must be made within 10 days of the date of the letter or a hearing will be scheduled to consider termination of the delinquent Member's membership because of a violation of the Occupancy Agreement.

The Mutual accepts no responsibility for notices not received by the Member. Notices are sent to the Member's address of record as required by law. It is the Member's responsibility to be aware of and understand these procedures and to pay all assessments when due.

DELINQUENCIES (continued)

Members and former Members are personally liable for delinquent assessments that accrue during their membership. 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 California Civil Code section 5730, if a Member disputes an assessment, fee, and/or cost, the Member may seek resolution by submitting a written request for dispute resolution to the Mutual in accordance with the dispute resolution procedure contained in the Mutual's Annual Policy Statement and California Civil Code section 5925 *et seq.*

ELECTRIC VEHICLE CHARGING STATION POLICY

This Electric Vehicle Charging Station Policy ("EVCS Policy") is intended to comply with California Civil Code section 4745 which reflects the State of California's policy of encouraging the use of Electric Vehicle Charging Stations ("EVCS"). It is the policy of the Corporation to comply with California Civil Code section 4745 by approving, whenever reasonably possible, applications for the installation of EVCS and electric wiring and related components necessary to provide electricity sufficient to power approved EVCS installed in a Member's Exclusive Use Common Area (i.e., attached carport or stand-alone assigned carport, as applicable). Such installation would provide hard wire connections to the EVCS as opposed to providing for plug outlets to supply power to portable charging devices.

Installation.

1. Any Mutual Member who proposes to install an EVCS ("Applicant") shall:
 - A. Submit an executed Alteration Agreement and Permit Application package (collectively, "Alteration Application") to the Corporation in care of Golden Rain Foundation of Walnut Creek Mutual Operations Division ("MOD");
 - B. Follow the procedures set forth in the section entitled "ALTERATIONS TO MUTUAL COMMON AREAS OR THE EXTERIOR OF A RESIDENCE AND OTHER STRUCTURAL CHANGES" contained on page 3 of the Corporation's Policies ("Alterations Policy"); and
 - C. Obtain Board approval and procure and permit prior to installation of the EVCS.
2. In addition to the submittals required by the Alterations Policy, the following must accompany the fully filled out and executed Alteration Application for installation of an EVCS:
 - A. Plans and specifications clearly indicating where the EVCS is to be located, the brand or manufacturer, technical specifications and dimensions (i.e., nature, kind, color, height, width, weight, etc.), connection of the EVCS to a separate subpanel or electrical circuit, installation, or a separate meter in assigned carport, as well as structural requirements;
 - B. An acknowledgement satisfactory to the Mutual that the contractor installing the EVCS has insurance coverage meeting the following minimums: (i) Worker's Compensation with minimum coverage required by California law; and (ii) Contractor's General Liability (including completed operations) with policy limits of at least \$500,000.00 and will provide satisfactory evidence to the Mutual that the Mutual is named as an additional insured under such policies;
 - C. An acknowledgment satisfactory to the Mutual that the Applicant will procure a homeowner liability insurance policy providing \$1 million in coverage and will provide satisfactory evidence to the Mutual, within fourteen (14) days of the Mutual's approval of the Alteration Application, that the Mutual has in fact been

named as an additional insured under the Applicant's homeowner liability insurance policy providing \$1 million in coverage with a right of notice of cancellation; provided, however, that the Applicant shall not be required to maintain a \$1 million homeowner liability coverage policy for an EVCS utilizing an existing National Electrical Manufacturers Association standard alternating current power plug¹; and

- D. A fully executed recordable Installation, Maintenance and Indemnification Agreement substantially in the form attached hereto as **Appendix I** and approved by the Mutual. Applicant shall be responsible for reimbursing the Mutual for any costs incurred by the Mutual for drafting and recording such Installation, Maintenance and Indemnification Agreement, including attorneys' fees, notary fees, and costs of recordation.
3. A response to an Alteration Application which includes all specified submittals shall be made in writing within 60 days of a valid submission.
 4. The installation of the EVCS shall be performed by a qualified, licensed, and insured contractor meeting all the requirements set forth in the Alteration Application or otherwise imposed by the Mutual. The installation of the EVCS must be performed in accordance with the manufacturer's installation specifications and/or instructions. The installation of the EVCS must also be performed in accordance with all applicable governmental laws and regulations, including all building, fire, electrical, and related codes. Applicant may not install the EVCS on his or her own. The EVCS may only be installed in the carport assigned to the Applicant for his or her exclusive use.
 5. Applicant shall comply with all applicable governmental laws and regulations and procure all required City of Walnut Creek and governmental permits and authorizations before installing the EVCS. The EVCS shall meet all applicable governmental and industry safety standards, and local permitting requirements.
 6. Prior to installation, Applicant shall provide satisfactory evidence that the contractor installing the EVCS has insurance coverage that meets the following minimums: (i) Worker's Compensation with minimum coverage required by California law; and (ii) Contractor's General Liability (including completed operations) with policy limits of at least \$500,000.00. Applicant shall also provide the Board with satisfactory evidence that the Mutual is named as an additional insured under the above policies.
 7. Within fourteen (14) days of approval by Mutual of Applicant's request for permission to install the EVCS and before commencement of installation, the Applicant shall provide the Mutual with satisfactory evidence that the Mutual has been named as an additional insured under the Applicant's \$1 million homeowner insurance liability policy with a right of notice of cancellation; provided, however, that the Applicant shall not be required to maintain a \$1 million homeowner liability coverage policy for an EVCS

¹ Per California *Civil Code* section 4745(f)(3), "a homeowner shall not be required to maintain a homeowner liability coverage policy for an existing National Electrical Manufacturers Association standard alternating current power plug."

utilizing an existing National Electrical Manufacturers Association standard alternating current power plug.

8. The EVCS shall be installed in a location acceptable to the Mutual. The EVCS must conform to the surrounding structures and environment in design, size, and appearance. The EVCS shall be secured in a manner that does not jeopardize the safety or soundness of any structure or the safety of any person within the Mutual. There shall be no penetrations into building structures, including but not limited to walls, ceiling, and floors, unless it is necessary for the installation and operation of the EVCS System. Any penetrations for wiring or piping into building structures for the EVCS shall be properly sealed and waterproofed in accordance with industry standards and applicable building codes in order to prevent moisture penetration and resulting structural damage. The EVCS shall be colored to blend into the background onto which it is mounted or placed to the greatest extent possible. Visually the installation shall appear neat and attractive, without exposed wiring or visible damage to surrounding improvements.
9. Applicant shall be responsible for the installation of a separate meter or hard wire the EVCS back to the Unit's electrical meter to accommodate the EVCS. The meter and its installation shall meet all applicable requirements established by state and local laws, PG&E and the Electric Vehicle manufacturer. The meter shall be listed in the Applicant's name and all recharging and related expenses billed directly to the Applicant by Pacific Gas and Electric (PG&E).
10. Extension cords from the Unit or a Mutual Common Area electrical outlet to the EVCS are strictly prohibited. Project/Mutual electrical outlets and metered electric circuits charged to the Project/Mutual may never be used to power an EVCS.
11. Applicant and each successive owner of the EVCS shall pay for all electricity usage associated with the EVCS. If Mutual electricity is used to charge the Applicant's electric or hybrid vehicle, the Board may, by resolution adopted from time to time, establish the rates that will be charged for electricity usage.
12. Applicant and each successive owner of the EVCS shall be responsible for:
 - A. maintaining the EVCS in good condition and repair;
 - B. all costs to repair any damage to the EVCS, Common Area, Exclusive Use Common Area or Unit resulting from the installation, maintenance, use, repair, removal, replacement or re-installation of the EVCS;
 - C. all costs for the installation, maintenance, use, repair, removal, replacement or reinstallation of the EVCS and for the restoration of the Common Area, Exclusive Use Common Area or Unit after the removal;
 - D. disclosing to prospective buyers the existence of the EVCS and the related responsibilities that said buyer will assume, including;

- i. maintenance at all times of a homeowner liability insurance policy providing \$1 million in coverage which also names the Mutual as an additional insured under the policy with a right to notice of cancellation; provided, however, that said buyer shall not be required to maintain a \$1 million homeowner liability coverage policy for an EVCS utilizing an existing National Electrical Manufacturers Association standard alternating current power plug;
 - ii. the obligation to pay for the electricity usage associated with the EVCS;
 - iii. responsibility for all costs to repair any damage to the EVCS, Common Area, Exclusive Use Common Area and/or Unit resulting from the installation, maintenance, use, repair, removal, replacement or reinstallation of the EVCS;
 - iv. responsibility for the cost of the installation, maintenance, use, repair, removal, replacement or reinstallation of the EVCS until it has been permanently removed and for the restoration of the Common Area, Exclusive Use Common Area and/or Units after the permanent removal of the EVCS; and
 - v. responsibility to disclose to prospective buyers the existence of the EVCS and the related responsibilities of the Member pursuant to California Civil Code section 4745.
13. If the EVCS is improperly installed, Applicant will be responsible for any costs associated with correcting the installation or relocating the EVCS to a preferred location.
14. Applicant may be required, as a condition of approval, to remove the EVCS at Applicant's expense, if necessary, to enable the Mutual to meet its maintenance, repair and/or replacement obligations as imposed by the Governing Documents and/or California law. Should Applicant fail to remove the EVCS upon the Mutual's request, the Mutual may remove the EVCS at the Applicant's expense. The Mutual shall not be responsible for any damage to the EVCS or loss of use due to removal of the EVCS. If the Mutual must remove the EVCS, Applicant shall reimburse the Mutual for costs incurred in removing the EVCS. If the Mutual must remove the EVCS, the Mutual shall not be responsible for replacing or reinstalling it. Reinstallation of the EVCS shall be at the Applicant's expense and shall be in compliance with this EVCS Policy and the Governing Documents.
15. The Mutual is not responsible for any accidents or incidents which may occur during installation, maintenance, use, repair, removal, replacement and/or reinstallation of the EVCS. Additionally, the Mutual is not responsible for the installation, maintenance, use, repair, removal, replacement and/or reinstallation of the EVCS.
16. Applicant assumes all responsibility for any and all damage to his or her Unit, other Units, Exclusive Use Common Area, Common Area, and any other property damage and/or personal injury resulting from the installation, maintenance, use, repair,

removal, replacement and/or reinstallation of the EVCS. Member is solely responsible for the installation, maintenance, repair, replacement, use, removal, and/or reinstallation of the EVCS he or she installs with approval.

17. Member shall be responsible for any increased costs incurred by the Mutual in maintaining or repairing the Common Area or those portions of the Unit or Exclusive Use Common Area for which the Mutual is responsible for maintenance and repair pursuant to the Governing Documents that are caused by the presence of an EVCS.
18. If, at the time of sale of the Unit, the new owner (i.e., buyer) does not accept responsibility for the EVCS and separate electrical circuit by signing a recordable EVCS Installation, Maintenance and Indemnification Agreement substantially in the form attached hereto as **Appendix I** and approved by the Mutual, the EVCS and electrical circuit will be dismantled and the electrical circuit capped at the seller's expense.
19. If the EVCS becomes inoperable, the EVCS must be removed from the carport and any and all damage repaired at the Member's expense.
20. The prevailing party in any dispute arising out of the interpretation, violation or enforcement of the provisions of this EVCS Policy shall be awarded their reasonable attorneys' fees and costs.

ENFORCEMENT AND FINING POLICY

This Enforcement and Fining Policy ("Fining Policy") sets forth the policy of the Mutual for imposing sanctions and/or fines for violations of the Occupancy Agreements and the Governing Documents.

This Fining Policy, when adopted by the Board, will become a part of the Policies, which constitute "operating rules" as that term is defined in California Civil Code section 4340(a). All capitalized terms used herein that are not otherwise defined in this Fine Policy shall have the definitions ascribed to them in the CC&Rs.

- Owner's Responsibility.** Each Owner is a Member of the Mutual, and is responsible for complying with the Governing Documents and California law. Each Owner shall be fully responsible for informing his or her Residents, family, contract purchasers, lessees, tenants, servants, employees, guests, invitees and/or licensees of the provisions of the Governing Documents and shall be fully responsible for any violation of the provisions of the Governing Documents by any of the foregoing persons. Each Owner shall further be fully responsible for the conduct and activities of Owner's pets and the pets of his or her Resident, family, contract purchaser, lessee, tenant, servant, employee, guest, invitee and/or licensee. In the case of violations by persons for whom the Owner is responsible, the Mutual will notify the Owner of the violation. The Mutual may, should it desire, send a copy of the notice to the Residents, family, contract purchasers, lessees, tenants, servants, employees, guests, invitees, and/or licensees tenants as well. Any fines, penalties, or sanctions levied by the Board will be imposed against the Owner and, as applicable, such Owner's Unit.
- Courtesy, Warning and Violation Letters.** It is the policy of the Mutual to receive information concerning alleged violations from Board members, committee members, other Owners, Residents, the manager, and staff. Upon receipt of notice of an alleged violation, the Board, committees appointed by the Board and/or the manager will investigate the alleged violation within a reasonable time thereafter. The Board may, in its discretion, issue one or two courtesy, warning, or violation letters to the Owner alleged to have committed a violation of the Governing Documents. However, the Board may also escalate enforcement and issue a hearing notice without having first issued courtesy, warning, or violation letters.
- Notice and Hearing.** The Board shall not impose sanctions or fines against any Owner until it has provided the Owner with written notice and an opportunity to be heard at a hearing before the Board. The written notice shall be sent by first-class, certified mail, return receipt requested, postage prepaid, at least ten (10) days prior to the hearing. The written notice shall include: (i) the nature of the infraction, (ii) the nature and amount of the monetary penalty or other disciplinary measure being contemplated by the Board, (iii) the date, time and place of a hearing at which the Board will consider the imposition of the monetary penalty or other disciplinary measure, (iv) the reasons for the contemplated imposition, and (v) that the affected person is entitled to attend the hearing and to address the Board concerning the alleged infraction and potential monetary penalty or other discipline. The hearing will be held in executive session.

4. **Delegation of Authority to Manager.** The Mutual's managing agent, currently Mutual Operations Division or MOD ("Manager"), is expressly delegated the authority to send to Owners, on the Board's behalf, courtesy notices, notices of violation, hearing notices, and decisions rendered by the Board at a hearing. The Manager shall not, however, have the authority to hold hearings, impose sanctions, or levy fines.
5. **Sanctions.** The Board may impose one or more sanctions if it determines at the hearing that an Owner or a person for whom the Owner is responsible has committed a violation of a particular provision of the Governing Documents. The Owner is entitled to attend the hearing with his or her legal representative and to address the Board. Alternatively, the Owner may provide the Board with the Owner's response to the alleged violation, in writing, in advance of the hearing for the Board's consideration at the hearing. Sanctions may be imposed even if the Owner does not appear at the hearing when scheduled or does not submit a written explanation to the Board at or before the hearing. If the Board decides to impose sanctions, it shall notify the Owner in a writing delivered personally or by first-class mail within fifteen (15) days following the hearing.
 - A. Sanctions imposed by the Board may include, but are not limited to, (i) a Fine in accordance with the Schedule of Fines adopted by the Board (see paragraph 8 below), (ii) a Reimbursement Assessment, in accordance with Article 6 of the Occupancy Agreements, and (iii) suspension of an Owner's ability to qualify as a candidate for a Director seat or serve on the Board as a Director.
 - B. Suspension of a Member's rights and privileges shall automatically suspend the rights and privileges, if any, of the Residents, family, contract purchasers, lessees, tenants, servants, employees, guests, invitees and/or licensees.
 - C. If the Mutual is required to spend monies, including but not limited to attorneys' fees, to bring the Owner, the Owner's Unit, or a person for whom the Owner is responsible into compliance with the Governing Documents, the Board may levy a Reimbursement Assessment, in accordance with Article 6 of the Occupancy Agreements.
6. **Payment of Fines and Reimbursement Assessments.** Reimbursement Assessments are due and payable to the Mutual within thirty (30) days after the mailing of notice of Reimbursement Assessment to the Owner. Fines are due and payable to the Mutual on the date specified by the Board, which date may not be sooner than fifteen (15) days after the date the fine was imposed by the Board. Delinquent Reimbursement Assessments shall incur late charges and interest as set forth in the Mutual's Delinquencies Policy.

7. **Schedule of Fines.** The Board has adopted the following Schedule of Fines, which will be in effect until changed by the Board:

- **Violations of the Governing Documents.**

- First Violation: Up to \$100;
- Second Violation: Up to \$250;
- Third Violation: Up to \$500 per violation;

- **Multiple and/or Continuing Violations of the Governing Documents.**

- Multiple violations of the same nature after the third violation will be subject to increased fines of up to double the amount of the most recent fine levied for each repeated violation. Fines for repeated or continuing violations may be imposed without further notice and hearing and may be imposed on a periodic basis (i.e., daily, weekly, or monthly) at the sole discretion of the Board.

- **Fines for Violence to Persons or Damage to Property.**

- For any violation of the Governing Documents that involves: actual or threatened violence to persons; vandalism or intentional damage or destruction of property; or behavior that threatens the health, safety or security of Owners, family, tenants, invitees, guests, management, or staff, the Board shall have the authority to levy a fine of up to \$1,000 per occurrence.
- The Board may also levy a Reimbursement Assessment against the responsible Owner to reimburse the Mutual for any costs incurred including, but not limited to, repair or replace damaged property.

NOTE: Owners are required to notify the Board of correction of any alleged violation so that the correction can be verified.

8. **Penalties in Addition to Corrective Measures.** The imposition of Fines, Reimbursement Assessments and other sanctions are not alternatives to an Owner's compliance with the Governing Documents. Compliance may include, but is not limited to, the correction, repair, or replacement of non-complying conditions, all at the Owner's cost.

9. **Violation of Law.** The Mutual may treat any violation of state, municipal, or local law by an Owner or his or her Resident, family, contract purchaser, lessee, tenant, servant, employee, guest, invitee and/or licensee in the same manner as a violation of the Governing Documents if the Owner's violation creates a nuisance to other Owners, Residents, and/or the Mutual.

10. **Other Remedies.** The Mutual reserves the right to avail itself of any other remedy permitted by law and the Governing Documents and to enforce the provisions of the Governing Documents. These remedies include, but are not limited to, bringing an

action in Small Claims or Superior Court, or requesting that the matter be submitted to some other form of dispute resolution, such as mediation or arbitration. Such remedies may be taken in addition to or in lieu of any action already taken, and commencement of one remedy shall not prevent the Mutual from electing at a later date to pursue another remedy. In a court action, the Mutual may seek either, or both, injunctive relief and/or recovery of fines, penalties, or Reimbursement Assessments, if any. In addition, the Mutual shall be entitled to recover the full amount of all costs, including attorneys' fees and experts' fees, incurred by the Mutual in responding to a violation and/or in enforcing any provision of the Governing Documents.

FINANCIAL ACTIVITIES

1. **Authorization for Expenditure of Funds.** The Board's approval of an annual operating budget includes authorization for the Manager/Assistant Treasurer to commit Mutual Eight funds for budgeted activities, except that any contract or order totaling more than \$5,000 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 \$5,000.

The Director of Mutual Operations is authorized to expend Mutual Eight funds in the event of an emergency.

2. **Social Fund.** In order to accept and disburse money for Mutual Eight 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.
3. **Operating Fund.** In order to accept and disburse money for Mutual Eight 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 account and all checks written by the Mutual to pay the Mutual's bills to third parties will be made from this "consolidation" account. As set forth above, expenditures in excess of \$5,000 must be pre-approved by the Board in writing.
4. **Replacement Reserve Fund.** The Board approves the annual assessment, payable in monthly installments, to maintain a Replacement Reserve Fund (Reserve Fund), based upon a reserve study prepared in accordance with the requirements of California Civil Code section 5550.

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.

5. **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 Member.

HEARINGS

1. **Initiation of Action.** When a hearing is called by the Board or requested by a Member, the following procedures will be followed:
 - At least ten (10) days prior to the hearing date, the Board will personally or by first-class, certified mail, return receipt requested, deliver to the Member a notice of hearing, including the date, time and place of the hearing, and a general description of the violation(s), all in accordance with Civil Code section 5855 and the Bylaws.
 - In the notice, the Board will request that the Member notify them if they plan to bring legal counsel to the hearing.
2. **The Hearing.** A hearing by the Board will be presided over by the President, the Vice President, the Mutual's legal counsel, or another person designated by the Board to preside over the hearing. The purpose of the hearing is to gather information necessary to determine whether or not a violation of the governing documents has occurred and what consequence or discipline is an appropriate response. The Member shall be allowed to make a statement on his or her own behalf. Other witnesses may also make statements to the Board, and the Member who is the subject of the hearing does not have a right to be present during such testimony.

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

After the hearing, the Board will deliberate and decide on the matter. Written notice of the decision will be transmitted to the Member via either personal delivery or individual delivery pursuant to Civil Code section 4040 within fifteen (15) days following the hearing.

INSURANCE

The Mutual's specific insurance obligations are contained in the Mutual's Bylaws.

Mutual Eight contracts with other Rossmoor Mutuals to participate in a deductible-allocation agreement on a blanket property insurance policy, excluding the deductible related to earthquake damage. Mutual Eight is responsible for the first \$10,000 of the deductible for damage from a covered occurrence in Mutual Eight. Mutual Eight will contribute a pro-rata share (based on number of units) of the deductible for a covered loss in any other of the participating Mutuals, for the deductible amount between \$10,000 and \$200,000.

The Director of Mutual Operations is authorized to withdraw funds from the Mutual's operating account to fulfill Mutual Eight's share of this contribution in the event of a loss covered under this agreement without the Board's approval. Notice of a withdrawal under this provision will be made to the Board as soon as possible after an occurrence.

The contribution for the deductible is limited to the items more clearly defined in the "Agreement to Share the Deductible." The Agreement will be void if less than 85% of the residences managed by the Manager are signatories to the Agreement, and the Agreement requires each Mutual's Board to ratify the agreement annually.

Mutual Eight shall maintain fidelity bond coverage for its directors, officers and employees in an amount that is equal to or more than the combined amount of the reserves and the total assessments for three months. Said coverage shall additionally include dishonest acts by Management and its employees.

Members are required to purchase, at their own expense, their own personal property and personal liability insurance (typically called an 'HO-6 policy') for those items which are not covered by the Mutual's blanket policy. The coverage limits of the required policy are a minimum of \$250,000 for personal liability, and for loss of personal property in an amount sufficient to cover any such loss.

INVESTMENTS

To comply with California Civil Code section 5500, 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 into 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 of 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

1. The Mutual's Board is the final authority for all decisions concerning landscaping. All landscaping requests initiated by Residents concerning Common Areas are subject to availability of funds, and must be approved by the Mutual's director who serves as landscape coordinator.
2. A Resident may request pruning of a tree that is located in a Common Area of the Mutual and is included in the Mutual's standard landscaping plan, subject to availability of funds and to approval by the Mutual's designated arborist and landscape coordinator in consultation with the landscape contractor. If Resident's request is for any reason other than demonstrable hazard to persons or property, the Mutual's responsibility for expense is limited to 50% of the cost of pruning or \$200, whichever is less, and the Resident is responsible for the balance. The Mutual has no obligation to approve tree trimming for purely aesthetic reasons.
3. The Mutual will assume no responsibility for landscaping beyond the boundaries of the Mutual's property.
4. Management's pest control contractor provides pest control service on the exterior of a Residential building at no additional cost to the Resident. The Resident is responsible for control of insects and other pests within the manor. Cost for control of infestations that affect the interior of two or more Units within one building is the responsibility of the Mutual, unless it can be determined that the infestation was caused by the negligence of a Resident of that building, in which case that Resident is responsible for the entire cost.
5. The document entitled, "Mutual Eight Private Garden Documents" sets forth the procedures for obtaining approval of a Private Garden Agreement, and is included in Appendix C.
6. All landscaping contracts affecting Mutual Eight, whether entered into by the Mutual or by a Resident, shall include a provision which specifies that any landscape damage caused by a contractor must be remedied by the contractor to the satisfaction of Mutual Eight.

LAUNDRY ROOMS

Laundry rooms shall not be used between the hours of 10 p.m. and 6 a.m., in accordance with the Mutual's quiet hours and for the protection of neighbors' right to sleep.

Washing machines and dryers in Mutual Eight laundry rooms are for the exclusive use of Mutual Eight Residents.

Neither rubber nor plastic materials nor garments with metal fasteners or buckles shall be placed in dryers.

Smoking is not permitted in the laundry rooms (or anywhere on Mutual property, including inside the Units, Exclusive Use Common Area (e.g., patios), or on Mutual Common Area, pursuant to the Walnut Creek Smoking Ordinance).

LEASING

1. **Occupancy Other Than by Member.** Units are intended to be Member-occupied, to the extent permitted by law. No more than 25% of the units (maximum 26 units) in Mutual Eight may be leased or rented at any one time. All requests to rent or lease must be approved by the Board of Directors in writing. Leases or rental agreement must be in writing and shall be for an initial term of at least thirty (30) days.

Upon written request of a Member, the Board shall have the right, but shall not be obligated, to waive the limitation on the number of permitted rentals or the order of priority of requests to rent in cases of deserving and unusual hardship (for instance, an illness requiring temporary relocation for treatment) provided: (i) each such waiver shall be for a limited term, not to exceed one (1) year; (ii) the Member in question shall deliver to the Board a signed statement representing that he or she will retake possession and occupancy of the unit as a resident thereof upon the expiration of such limited term; and (iii) such waiver shall be subject to other conditions as the Board may determine, which conditions may include but shall not be limited to Board review and approval of the lease for such limited term. Members may apply for consecutive hardship waivers and the Board may approve consecutive hardship waivers as deemed appropriate. For purposes of this Section, a "hardship" shall not include a Member's desire for a particular sales price or profit from an otherwise saleable Unit.

2. **Minimum Age Requirement.** Per Article II, Section 1, of the CC&Rs, GRF Resident Regulations, the Federal Fair Housing Act and California Civil Code section 51.3, at least one lessee must be the minimum age required of a qualifying Resident, i.e., 55 years of age.
3. **Procedure for Processing Leases.** Rental, lease, and other occupancy permit forms are available at the Board Office in the Gateway Complex. Members must obtain written approval via a "Request to Lease" form from the Mutual Eight Board before executing a Rental or Lease Agreement.

A copy of GRF's Resident Regulations, and Mutual Eight's policies and governing documents must be given to the lessee by the owner. These documents are available on the rossmoor.com website or hard copies are available from the Board Office for a fee.

MAINTENANCE

According to the Occupancy Agreement, certain repair and maintenance activities are the responsibility of the Mutual and others are the responsibility of the Resident. A portion of the monthly fees collected pays for maintenance of the Common Area (generally, landscaping and the exterior and structure of buildings), which is, generally, the responsibility of the Mutual.

Residents are responsible for the interior maintenance of their Units and for maintenance of any altered components. All alterations affecting maintenance obligations must be approved in advance in writing by the Board.

To clarify whether the Member or the Mutual is responsible for the maintenance and repair of an item, Appendix A (attached) lists some different types of maintenance repair items that frequently occur in units, and indicates whether the Mutual or Resident is responsible for their repair or maintenance.

If a Resident has a maintenance problem, it should be called in to MOD (see page 1).

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 membership meeting, for a reasonable time and during the member comment period only. Members may not attend an executive Board session unless invited by the Board to do so.

The Board may establish a reasonable time limit in which a Resident may speak. If not otherwise set by the Board, a reasonable time limit in which to speak during the member comment period shall be three (3) minutes.

Meetings of the Board are business meetings of a non-profit mutual benefit corporation and shall be conducted in a professional, collegial and efficient manner. Members who are disruptive will be asked to leave the meeting. Defamatory or threatening comments are not allowed.

Meetings may not be recorded without prior written permission of the Board. The Board does not consent to the publication on any platform of any of its members' voices or likenesses in any format without prior written permission.

MEMBER ACCESS TO BOARD MINUTES

Per California Civil Code section 4950, Members 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.

Members may have copies of minutes. The Mutual may charge for the actual cost of copying and distribution. Members' 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 or by email to Kelly Maki in the Board Services Offices at kmaki@rossmoor.com.

MISCELLANEOUS REGULATIONS

1. No appliances or articles of furniture are permitted on verandas, porches, or decks if they clash with the color scheme or detract from the appearance of the building.
2. Placing clothes racks or drying laundry on verandas, porches, or decks is prohibited.
3. The use of barbecues on wooden porch or deck areas is prohibited. Use of barbecues on concrete floors of ground level patio areas is permitted, as long as the barbecue is at least 10 feet away from any wood structure and is not located directly under a balcony overhang.

NON-COMPLIANCE WITH POLICIES OR REGULATIONS

Failure of a Member to comply with policies or regulations established by the Board may subject the Member to penalties, some of which are provided for in specific Policies. A breach of the Occupancy Agreement may subject the Member to termination of membership, as provided for in the Bylaws and in the Occupancy Agreement, subject to procedures of due process as determined by the Board in keeping with applicable California Codes (see pages 14-15).

PAINTING

Residents may not paint the exterior surfaces of buildings, including doors.

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

PARKING

Neither Residents of Mutual Eight nor their live-in employees may park their personal vehicles in parking spaces marked "Visitors Only" or in spaces marked "Reserved: Lease # ", for which they are not the party to the lease.

For details on leasing parking spaces, please see policy pages entitled, "Carport Stalls, Entries, and Common Areas."

Visitor parking is limited to 72 hours.

1. Guests, including visiting family members, staying beyond 72 hours can park on Rossmoor roadways located outside the Mutual.
2. A person leasing a manor from a Mutual Eight Resident can park either in the Resident's assigned carport or on a Rossmoor roadway.

Vehicles parked in a Handicapped Parking space in the Mutual must display a handicapped placard or plate. Vehicle owners are subject to the same monetary penalties enforced elsewhere in Walnut Creek, should the handicapped placard or plate not be displayed.

Except as approved by the Board on a case-by-case basis, trailers, campers, boats, RVs, and trucks used for commercial purposes may not be parked on the streets or in the driveways of Mutual Eight except for a 24-hour loading or unloading period.

PETS AND ANIMALS

Unless prohibited by the Board, and not including service animals, emotional support animals, or other assistance animals, each Member 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 animals is expressly subject to any controls or prohibitions that may be adopted by the Board, the Golden Rain Foundation, or the City of Walnut Creek.

No animals may be kept in the Mutual that become a nuisance. Animals that are determined by the Board to be dangerous, noisy, or obnoxious are subject to removal from the Mutual.

When animals are outside the residence, they must be on a leash at all times and the Resident is responsible for cleaning up if the animal defecates.

PLANT CONTAINERS AND CATCH BASINS

Plant containers and potted plants must be set in water-tight catch basins of sufficient size to prevent water overflow or leakage that may cause stains or mildew. Runoff from plant containers of fertilizer salts and other substances that can etch and stain concrete surfaces may result in the homeowner being held financially responsible for cleaning or repairing damaged surfaces.

RESALES AND RESALE INSPECTIONS

When a Member completes an "Authorization to Inspect" form and submits the applicable fee, the Mutual will inspect the Unit (at the seller's expense) to determine if the Member has damaged Mutual property or has altered Mutual property without the Board's approval.

If the Mutual's property has been damaged, the Member must repair the damage, to the Mutual's satisfaction, immediately.

If there is an unapproved alteration, the Member may:

1. Remove the alteration and return the area to its original configuration (to the Mutual's satisfaction), including any upgrades necessary to meet the City of Walnut Creek's building code. The Member is responsible for all costs associated with the removal and restoration.
2. Submit an alteration application to the Board for approval (see page 3). The Member is responsible for all costs associated with getting the alteration approved.

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

SATELLITE DISHES AND TV ANTENNAS

Residents who want to install satellite dishes, TV antennas, wireless cable, or any other type of TV or broadcast reception device in the Common Area or on Common Area components must first submit an alteration application (see page 3) and obtain written approval of the Design Review Committee (DRC) prior to installation. This requirement also applies to installations on exclusive use Common Area, such as decks and balconies.

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

1. Antennas must be installed in a safe manner, not endangering other Residents nor Common Area components.
2. Residents must accept financial responsibility for maintenance, repair and replacement costs of roofs or other building components affected by the installation.
3. If visible from a street or Common Area, they must be painted to blend into the surrounding area.

SOLAR ENERGY POLICY

This Solar Energy Policy (the "Solar Policy") shall govern the application, installation, maintenance, and removal (if necessary) responsibilities pertaining to solar collectors and other solar energy devices and systems whose primary purpose is to provide for the collection, storage and distribution of solar energy (collectively, "Solar Energy Systems") installed within the Mutual, as well as the Mutual-maintained Common Area. It is the intent of this Solar Policy to comply with all laws and regulations, both state and federal, and in particular, California Public Resources Code section 25982, California Civil Code section 714, California Civil Code section 714.1, and California Civil Code section 4746. In the event of any conflict between any provision of this Solar Policy and any applicable statute, the terms of that statute shall prevail and supersede any contrary provision in this Solar Policy.

1. **Introduction.** The Mutual is a "stock cooperative," as that term is defined in California Civil Code section 4190. The Mutual is required by the Occupancy Agreements to repair, maintain and replace the exterior of buildings, including walks and roof. It is the intent of this Solar Policy to recognize the respective rights of the Members and Mutual, and enable the Mutual to perform its exterior repair, maintenance, and replacement obligations.

2. **Application.**
 - A. The installation of Solar Energy Systems is subject to the provisions of (i) Article 18 of the Occupancy Agreements; (ii) the Alterations Policy; and (iii) this Solar Policy. As such, a Member wishing to install a Solar Energy System is required to submit an Alteration Agreement and Permit Application package (collectively, "Alteration Application") to a committee commissioned by the Board to consider Alteration Applications ("Alterations Committee") or the Board (if no Alterations Committee is appointed), in care of the Mutual Operations Division (MOD) Alterations Department.
 - B. The Member must receive written notice of approval PRIOR to installation of any Solar Energy System.
 - C. The Member shall also provide plans and specifications as part of the Alteration Application and furnish such other information and documentation as may be reasonably requested by the Alterations Committee and/or the Board.
 - D. Manufacturer literature for all proposed Solar Energy System components, including specifications, color and materials, shall be provided to the Alterations Committee and/or the Board with the Alteration Application.
 - E. The plans provided as part of the Alteration Application shall include the following:
 - (i) Plans showing the visibility of the Solar Energy System from areas open to public access (e.g., streets, Common Area, neighboring Units); and
 - (ii) A solar site survey pursuant to California Civil Code section 4764 which:

(a) shows the placement of the Solar Energy System, (b) contains a determination of total usable solar roof area, (c) contains a determination of the maximum number of Solar Energy Systems which can be installed on the solar roof area; (d) contains a determination of the equitable allocation of the total usable solar roof area among all Members sharing the same roof; and (e) contains a determination of the Member's proportional allocated solar roof area on the same roof.

- F. The applicant Member shall notify every other Member sharing the same roof of his or her Alteration Application for installation of a Solar Energy System and certify to the Mutual, in writing, that the notice has been given. Notified Members are not required to sign anything or give their consent or approval to an Alteration Application for installation of a Solar Energy System. The certification and any written comments by an affected Member shall be attached to the Alteration Application. No Alteration Application may be denied because of objections by an affected Member. However, objections may be referred to the Mutual's legal counsel. A copy of the solar site survey and a drawing depicting how the equipment will be mounted shall be attached to the notification to affected Members.
 - G. The applicant Member is responsible for confirming receipt of his or her Alteration Application, supporting documentation and other information by the Alterations Committee and/or the Board.
 - H. Except as modified by law, all provisions of this Solar Policy and the Alterations Policy, shall apply to the installation of Solar Energy Systems.
3. **Mutual's Right to Retain Consultant.** In reviewing any Alteration Application for the installation of a Solar Energy System, the Mutual retains the right to have its own solar site survey prepared at the applicant Member's expense. The Mutual also retains the right to hire a consultant, at the applicant Member's expense, to review all information and documentation provided by applicant Member, including, but not limited to, the solar site survey and the plans and specifications as set forth in Paragraph 2(E)(ii) above.
4. **Leasing of Solar Energy Systems.** In the event that the Member is leasing the Solar Energy System from a third party (rather than purchasing it outright) for installation within the Mutual, the third party Lessor must agree in writing to be subject to any all terms, conditions, restrictions and obligations assumed by the Member in having the Solar Energy System installed and maintained within the Mutual, including, but not limited to, repair, replacement, temporary removal for repairs and/or permanent removal as appropriate. Member agrees to reimburse the Mutual for the costs for any legal action, including any attorneys' fees and costs, to enforce the provisions of this Section 4.
5. **Common Area Space.** A Member's installation of the Solar Energy Systems in or on the exterior building, including walls and roofs, shall be restricted to the proportional allocated solar roof area identified in the Solar Site Survey and approved by the Board. A Member may not install a Solar Energy System on the exterior of a building in which

the Member does not own a Unit, or in a manner that is inconsistent with the Mutual's Solar Site Survey, if any. The Board shall use its discretion and best judgment to equitably allocate the available roof space to the extent possible to accommodate the requested Solar Energy System.

6. **Insurance Requirements.** The applicant Member and each successive Member to his or her interest in the Solar Energy System shall be responsible for maintaining a homeowner liability coverage policy at all times with policy limits of at least \$1,000,000 and shall provide the Mutual with the corresponding certificate of insurance within fourteen (14) days of approval of the Alteration Application and annually thereafter.
7. **Approval Guidelines.** The Mutual may impose reasonable restrictions on the installation of Solar Energy Systems. "Reasonable restrictions" are defined as those that do not significantly increase the cost of the Solar Energy System or significantly decrease its efficiency. "Significantly" means an amount exceeding ten percent (10%) of the cost of the Solar Energy System or decreasing the efficiency of the Solar Energy System by an amount exceeding ten percent (10%), as originally specified and proposed. For photovoltaic systems that comply with state and federal law, a significant or unreasonable restriction is one that results in an increased cost to the Solar Energy System as originally proposed of over \$1,000 or a decrease in the Solar Energy System's efficiency in an amount exceeding ten percent (10%) as originally specified and proposed.
8. **Conditions for Approval.** The Mutual may require as a condition for the approval of a Solar Energy System that each applicant Member and each successive Member to his or her interest in the Solar Energy System be responsible for all of the following:
 - A. Costs for damage to the Common Area, the Exclusive Use Common Area, or other Units resulting from the installation, maintenance, repair, removal, or replacement of the Solar Energy System;
 - B. Costs for the maintenance, repair, and replacement of the Solar Energy System until it has been removed and for the restoration of the Common Area, the Exclusive Use Common Area, or other Units after removal;
 - C. Disclosing to prospective buyers the existence of any Solar Energy System of the Member and the related responsibilities of the Member pursuant to this Solar Policy and any applicable law;
 - D. Execution and recordation of an Installation, Maintenance and Indemnification Agreement substantially in the form attached hereto as **Appendix I** and approved by the Mutual. Member shall be responsible for reimbursing the Mutual for any costs incurred by the Mutual for drafting and recording such Installation, Maintenance and Indemnification Agreement, including all attorneys' fees, notary fees, and costs of recordation.
9. **Solar Shade Control.** The Alterations Committee and/or the Board must take into account the effect on Solar Energy Systems that may result from shade created by trees or shrubs within the boundaries of the Mutual. The Alterations Committee and/or

the Board will be guided by the principle of "first in time is first in right." If a tree or shrub was planted before the Solar Energy System was installed, the tree or shrub may grow without regard to its effect on the Solar Energy System. The Mutual shall not be required to prune, or allow pruning, of trees and/or shrubs which were planted before the Solar Energy System was installed. However, trees or shrubs planted after installation of the Solar Energy System may not be allowed to grow so as to cast a shadow greater than ten percent (10%) of the collector absorption area upon that collector surface at any one time between the hours of 10:00 a.m. and 2:00 p.m. local standard time (Public Resources Code section 25982). Pruning needs shall be dictated and determined by the Mutual's landscape or tree experts.

10. **Decisions in Writing.** Any decision on a proposed Solar Energy System installation must be in writing and, if the proposed Solar Energy System is disapproved, the written decision shall include an explanation of why the Alteration Application was disapproved and a description of the procedure for reconsideration of the decision by the Alterations Committee, if applicable. The decision of the Board on an Alteration Application (if no Alterations Committee is appointed) is final. An Alteration Application for the installation of a Solar Energy System that is not denied in writing within forty-five (45) days from the date of receipt of the application by the Alterations Committee or the Board (if no Alterations Committee is appointed) shall be deemed approved, unless that delay is a result of a reasonable request by the Alterations Committee or the Board for additional information.
11. **Appeals: Reconsideration by the Board.** If an Alteration Application for the installation of a Solar Energy System is denied by the Alterations Committee, Member is entitled to reconsideration of the decision by the Board at an open Board meeting. The decision of the Board on appeal is final. Alteration Applications decided upon by the Board are not subject to Board reconsideration. Member is responsible for confirming receipt of a request for reconsideration by the Board.
12. **Installation Conditions: Permits.**
 - A. Tubing, piping and related materials shall be installed so as to be minimally visible and blend into the material to which they are mounted or placed. When not unreasonable to do so, the Solar Energy System shall be colored to blend into the background onto which it is mounted or placed to the greatest extent possible. Panels must be located entirely within a boundary defined by the roof eaves and the roof peaks. Visibility of the underside of the panels shall be minimized from the Common Area. Visibility of any plumbing, wiring, or auxiliary equipment should also be minimized.
 - B. All portions of a Solar Energy System shall be secured in a manner that does not jeopardize the safety or soundness of any structure or the safety of any person within the Project.
 - C. There shall be no penetrations into building structures, including but not limited to walls, ceilings, floors, and roofs, unless it is necessary for the installation and operation of the Solar Energy System and/or to avoid an unreasonable increase in the cost of the installation (more than \$1,000 for photovoltaic

systems) or an unreasonable decrease in the Solar Energy System's efficiency (more than ten percent (10%) as originally specified and proposed for photovoltaic systems). Any penetrations for wiring or piping for a Solar Energy System shall be properly sealed and waterproofed in accordance with industry standards and applicable building codes in order to prevent moisture penetration and resulting structural damage.

- D. Solar Energy Systems shall not obstruct access to or from any Unit, walkway, or ingress or egress into any area of the Mutual in order to ensure the safety of individuals and allow safe access to the Mutual's Common Area.
- E. All installations shall be done in accordance with applicable building, fire, electrical and related statutes, codes and regulations, including but not limited to City of Walnut Creek Development Review Services Information Bulletin No. 1B-025 entitled, "Submittal Requirements for Photovoltaic Array Systems or Alternative Energy Systems," as amended from time to time.
- F. The installing Member must obtain all necessary permits and approvals from local regulating agencies and provide copies thereof to the Mutual. A copy of the final City inspection must also be provided to the Mutual.
- G. A Solar Energy System for heating water shall be certified as to all system components and the installation thereof by the Solar Rating Certification Corporation or other nationally recognized certification agency.
- H. A Solar Energy System for producing electricity shall meet all applicable safety and performance standards established by the National Electrical Code, the institute of Electrical and Electronic Engineers, and accredited testing laboratories such as Underwriters Laboratories and, where applicable, rules of the Public Utilities Commission regarding safety and reliability.
- I. All installations of Solar Energy Systems shall be completed so as not to materially harm or damage Common Area, any other individual Unit or such Unit's Exclusive Use Common Area; void any warranties held by the Mutual or other Members; and/or impair the integrity of any building or structure.
- J. In approving the installation of any Solar Energy System, the Board is entitled to rely upon the representation of the Member and/or his or her contractor that the Solar Energy System fully complies with the safety criteria set forth in this Solar Policy. Should the Board later determine that the Solar Energy System is not in conformance with such criteria, the Board may require the Member, at his or her sole cost and expense, to remove the Solar Energy System or modify it so that it is in compliance.
- K. A Member may not install a Solar Energy System on his or her own. Installation shall be by a licensed and properly insured installer knowledgeable about installation of Solar Energy Systems. Prior to installation, the installer shall have insurance coverage that meets the following minimums: (i) Worker's Compensation with minimum coverage required by California law; and

(ii) Contractor's General Liability (including completed operations) with policy limits of at least \$500,000. The installer must, prior to installation, provide copies of certificates of insurance for the above policies and endorsements which name the Member and the Mutual as additional insureds.

- L. All installations must be in accordance with the manufacturer's installation specifications and instructions.
13. **Installation Period.** Once work on the approved Solar Energy System has started, all work must be completed within a reasonable period of time, weather permitting (i.e., no later than ninety (90) days after approval), and must not be a safety hazard to Residents, guests, neighboring Units and/or the Common Area.
14. **Inspection.** The Mutual may inspect a Solar Energy System at any time to ensure compliance with the provisions of this Solar Energy Policy and the Alteration Application, as approved. If the Mutual determines that the installation is not in accordance with the provisions of the Occupancy Agreements, the Alterations Policy, this Solar Policy and/or the approved Alteration Application, the Mutual may require the Member, at the Member's expense, to remove or otherwise modify the Solar Energy System to comply with the provisions of this Solar Policy and/or the approved Alteration Application.
15. **Maintenance of the Solar Energy System.** The Member is solely responsible for the installation, maintenance, repair, replacement, use, removal and/or reinstallation of any Solar Energy System he or she installs with approval, whether located in the Unit, in or on Exclusive Use Common Area, or in or on Common Area.
16. **Mutual's Increased Maintenance Costs.** Members shall be responsible for any increased costs incurred by the Mutual in maintaining or repairing the Common Area or those portions of a Unit or Exclusive Use Common Area which the Mutual is responsible under the Governing Documents for maintaining or repairing which are caused by the presence of a Solar Energy System on the Common Area.
17. **Improper Installation.** If a Solar Energy System is improperly installed, the Member shall be responsible for any costs associated with correcting the installation or relocating the Solar Energy System to another location.
18. **Removal and Reinstallation.** Member shall be required to remove the Solar Energy System at his or her own cost or expense, if necessary, to enable the Mutual to meet its maintenance, repair and/or replacement obligations as imposed by the Occupancy Agreements, the Bylaws, and/or California law. Should a Member fail to remove the Solar Energy System upon the Mutual's request, the Mutual may remove the Solar Energy System at the Member's expense. Unless there is an emergency, the Mutual shall provide the Member with at least fifteen (15) days advance written notice. The Mutual shall not be responsible for any damage to the Solar Energy System or loss of use due to removal of the Solar Energy System. If the Mutual must remove the Solar Energy System, the Mutual may levy a Reimbursement Assessment, as provided in Article 6 of the Occupancy Agreements, to reimburse the Mutual for costs incurred in removing the Solar Energy System, provided the Member's liability has been

established after giving Member notice and an opportunity for a hearing in accordance with the Governing Documents. If the Mutual must remove the Solar Energy System, the Mutual shall not be responsible for replacing or reinstalling it. Reinstallation of the Solar Energy System shall be at the Member's sole cost and expense and shall be in compliance with the Occupancy Agreements, the Bylaws, this Solar Policy, and the Alterations Policy.

19. **Inoperable System/Equipment.** If a Solar Energy System becomes inoperable, either by damage or termination of service, the equipment must be removed from the structure and any and all damage repaired at the Member's expense.
20. **Liability/Reimbursement.** Member shall be liable for any injury to persons or property arising from the installation, maintenance, use, repair, removal, replacement and/or reinstallation of the Solar Energy System. Member assumes all responsibility for any and all damage to his or her Unit, other Units, Exclusive Use Common Area, and/or Common Area, and any other property damage and/or personal injury resulting from the installation, maintenance, use, repair, removal, replacement and/or reinstallation of the Solar Energy System, including but not limited to roof leaks and damage caused by roof leaks which are the result of the installation, maintenance, use, repair, removal, replacement and/or reinstallation of the Solar Energy System. The Mutual may recover from the Member any expenses it incurs in connection with any violation of this Solar Policy, in any manner provided by law or permitted by the Governing Documents including, without limitation, imposition of a Reimbursement Assessment, as provided in Article 6 of the Occupancy Agreements, against the Member and his or her Unit to reimburse the Mutual for costs incurred, provided the Member's liability has been established after giving Member notice and an opportunity for a hearing in accordance with the Governing Documents.
21. **Mutual Not Responsible.** The Mutual is not responsible for any accidents or incidents which may occur during installation, maintenance, use, repair, removal, replacement and/or reinstallation of the Solar Energy System. Additionally, the Mutual is not responsible for the installation, maintenance, use, repair, removal, replacement, and/or reinstallation of any Solar Energy System.
22. **Sale of Unit.** Upon resale or transfer of any Unit which has a permitted Solar Energy System, the buyer or transferee (as the case may be) shall agree in writing to assume all of the Member's duties and responsibilities as outlined in this Solar Policy. The buyer or transferee's written agreement shall be in a form acceptable to the Mutual and executed by all of the parties before escrow can close and the transfer of the ownership can be legally completed. If a buyer or a transferee does not agree in writing to assume responsibility for the Solar Energy System, the Member must, prior to the close of escrow, remove the Solar Energy System and restore the area where the Solar Energy System had been located. In particular, any penetration patches must be completely sealed with paintable sealant. The removal must be approved by the Mutual and all costs relating to the removal of the Solar Energy System and restoration of the surrounding area shall be the sole responsibility of the Member. The Mutual may recover any costs incurred to repair damages from escrow or by imposition of a Reimbursement Assessment, as provided in Article 6 of the Occupancy

Agreements, provided the Member's liability has been established after giving Member notice and an opportunity for a hearing in accordance with the Governing Documents.

23. **Failure to Comply with Solar Energy Policy and Other Governing Documents.** A Member's failure to comply with this Solar Policy and/or any other Governing Documents, including but not limited to the Occupancy Agreements and the Alterations Policy, shall be subject to enforcement by the Board pursuant to the Governing Documents and applicable California law.

SMOKE DETECTORS

All Mutual Eight Units are equipped with a centrally-located, battery-operated smoke detector which is wired to an outside annunciator.

Whenever a Unit is sold, or if a Resident alteration or Mutual repair on a Unit costs in excess of \$1,000, municipal code requires that a wall-mounted, battery-operated smoke detector has to be installed in each sleeping area of the Unit, at the seller's or Resident's expense.

It is important to note that no smoke detectors may be installed in the ceiling because a wire in the ceiling radiant heating system could be broken.

CARBON MONOXIDE DETECTORS

Residents shall install a carbon monoxide alarm within the hallways adjoining the sleeping areas of each level if anything in the Unit burns a fossil fuel creating carbon monoxide, which is a colorless, odorless gas that can be lethal. As a result, carbon monoxide detectors are now required in every manor with a gas burning furnace, cook stove, water heater, fireplace, wood burning stove, or attached garage (auto exhaust). The requirements are found in Health & Safety Code §§17296, 17926.1, and 17926.2.

WHEELCHAIR RAMPS

One wheelchair ramp in the curb at each entry shall be provided at the Mutual's expense as need can be proven. A second wheelchair ramp at the Member's request may be provided, subject to Board approval, at the Member's expense.

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 a.m. to 5:00 p.m.; 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.
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 a Unit.

**MAINTENANCE AND REPAIR GUIDELINE FOR RESIDENTS
OF WALNUT CREEK MUTUAL NO. EIGHT**

Table of Contents

General Information, How to Order Service	A-2
Air Conditioners.....	A-3
Heat Pumps	A-3
Appliance Replacements.....	A-4
Flooring	A-5
Handrails	A-6
Periodic Inspections	A-7

Maintenance Guideline Schedules:

Carpentry	A-8
Electrical (Wiring and Components)	A-9
Garbage Disposals	A-10
Heating, Ventilating & Air Conditioning Systems.....	A-11
Landscaping in the Common Area.....	A-12
Painting	A-13
Pest Control (Including Termites).....	A-14
Plumbing	A-16
Roofs.....	A-17
Smoke Detectors and Carbon Monoxide Detectors.....	A-18
Standard Kitchen Appliances	A-19
Telephone Wiring	A-20
Water Heaters	A-21

PREFACE

According to the Occupancy Agreements, certain repair and maintenance activities are the responsibility of the Mutual and others are the responsibility of the Member. A portion of the monthly fees collected pays for maintenance of the Common Area (generally, landscaping and the exterior and structure of buildings), which is, generally, the responsibility of the Mutual.

Residents are responsible for the interior maintenance of their Units and for maintenance resulting from any alterations, which must be approved by the Board.

Pages A-7 through A-19 list different types of items that frequently need maintenance or repair and indicates whether the Mutual or Resident is financially responsible.

If you have a maintenance problem:

Any requests for maintenance and repair should be directed to Mutual Eight's property manager, the Golden Rain Foundation's Mutual Operations Division (MOD).

The following numbers should be used If you need assistance during regular business hours: 8:00 a.m. to 4:30 p.m., Monday through Friday:

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 for assistance.

AIR CONDITIONERS

Standard wall air conditioners will be repaired or replaced by the Mutual with appliances of a quality equivalent to original specifications.

Relocation of Unit air conditioners is done at the Resident's expense. Thereafter, continued maintenance or replacement of a relocated air conditioner at Mutual expense is contingent upon the following conditions:

1. The relocation must be described fully in an Alteration Application that has been reviewed and approved by the Architectural Control Committee and the Board.
2. All building and electrical codes must be adhered to.

Failure to comply with these stipulations releases the Mutual from all maintenance, repair or replacement responsibilities.

Heat Pumps.

A heat pump may be installed at the Resident's option and at the Resident's expense under the following conditions:

1. The Resident requests and gets approval for the installation via an Alteration Agreement.
2. Resident accepts responsibility for proper installation of the heat pump.
3. Manager verifies that the circuit breaker and wiring to the heat pump meet the manufacturer's specifications.
4. Resident accepts responsibility for all maintenance of the heat pump, breaker and power circuit from the breaker to the heat pump.

Heat pumps installed by the Mutual will be maintained by the Mutual.

APPLIANCE REPLACEMENTS

Water Heaters.

The policy for replacing Residential water heaters is:

1. If the Residential water heater becomes inoperative in normal use, regardless of its age, it will be replaced with a standard model, at no cost to the Resident.
2. The Mutual has a schedule to replace water heaters that were installed in 1969, per the Mutual's Reserve Study, at no cost to the Resident.

Dishwashers. Refrigerators. Ranges. Ovens and Hoods.

The policy for replacing dishwashers, refrigerators, ranges, ovens and hoods is:

1. The Mutual will replace non-operative appliances, regardless of their age, with a standard model, at no cost to the Resident. If a Resident wants to upgrade a standard model appliance that has failed, the Resident has to bear the cost difference between the standard and the upgrade, plus any additional installation costs.
2. The Resident will be responsible for any Alteration charges resulting from the change and all maintenance of an upgraded or non-standard appliance is the responsibility of the Resident.
3. If a Resident wants to add an ice maker to a standard model refrigerator, the additional cost for this option and its special installation requirements will be a Resident expense. Any repair or replacement required for the ice maker will be at the Resident's expense.

FLOORING

If damage to floor tile, linoleum or other floor coverings has been caused by structural failure, building movement, or some other failure of property the Mutual maintains, e.g., plumbing, the Mutual is responsible for the cost of correcting the problem.

If the damage is due to ordinary wear and tear or to the Resident's negligence, including failure to provide prompt notice to the Mutual regarding water leaks, the Member is responsible for the cost of correction. If the failure originates in an alteration, the Resident is responsible for repairing any damage to the alteration and to the Mutual's property.

If the cause of damage is equivocal, MOD will obtain an estimate of the repair cost and an evaluation of the possible extent of Mutual responsibility, which will be shared with the Resident. When the floor covering is removed, the cause of the damage determined and repairs made, the cost will be apportioned between the Mutual and Resident, if applicable.

In general, if floor tile must be replaced under Mutual responsibility, vinyl sheet flooring will be used. If replacing the floor covering is not necessary, it should be omitted unless the Member requests covering and is willing to pay the additional cost. If a Member prefers upgraded replacement flooring, the Member shall pay the difference in cost for materials and installation between vinyl sheet flooring and the chosen upgraded flooring.

HANDRAILS

Residents who want a steel handrail installed should submit an Alteration Application.

A steel handrail installation policy has been established for the installation of one steel handrail on the left or right side of each of the upper and/or lower outside staircases as viewed when taking the staircase to the Unit or Units in the following buildings:

1. 1224 Skycrest Drive, upper outside staircase.
2. 1122, 1138, 1200, 1208, 1232, 1312 and 1320 Skycrest Drive, upper and lower outside staircases.

The Mutual will pay 1/3 of the cost; the two Unit Members affected must each agree to pay one-third. If only one Unit owner desires the handrail installation, that Member must agree to pay the full remainder. If an additional handrail is desired, the Member or Members must agree to pay the full cost of the additional handrail.

Where Members have previously installed wood or steel handrails on any of these staircases in accordance with then-existing codes, replacement with the new design is not a requirement: if the Member wishes to replace existing additional handrail(s) under this policy, the Member must pay for removal of the previous installation.

PERIODIC INSPECTIONS

1. **Annual Inspections.** The Manager conducts an annual "manor lube" inspection in each unit to evaluate the condition of electrical/mechanical equipment that the Mutual maintains, including: air conditioners; ceiling radiant heat systems; bathroom exhaust fans; refrigerators; water heaters; and smoke detectors. The inspector also looks at Residents' wiring: extension cords; lamp cords; small appliance cords; etc. Residents are required to facilitate access to their manors for this purpose. If a Resident's electrical wiring fails to meet applicable codes or otherwise constitutes a safety hazard, this will be brought to the Resident's attention for correction at the Resident's expense.
2. **New Resident Safety Inspection.** Sixty to 90 days after a new occupant moves into a Unit (resale, lease, etc.), MOD will inspect the new Resident's-wiring. If the new occupant's electrical wiring fails to meet applicable codes or otherwise constitutes a safety hazard, this will be brought to the Resident's attention for correction at the Resident's expense.
3. **Major Electrical Circuit Safety Inspection.** In calendar year 2004 and every five years thereafter, all Residential buildings, all individual Units, and all Common Area laundry rooms shall receive a major electrical circuit safety inspection.
4. **Exterior Elevated Elements Inspection.** The Mutual shall establish a mandatory inspection regime for exterior elevated elements ("EEE"), such as balconies, decks, walkways, stairways, and railings. Under new California Civil Code sections 5551, the Mutual shall provide for the visual inspection of any load-bearing components and associated waterproofing elements of the buildings by a licensed structural engineer or architect at least once every nine (9) years. For existing buildings, the first set of EEE inspections must be completed by January 1, 2025. For new buildings where a building permit application has been submitted on or after January 1, 2020, the EEE inspections must occur no later than six (6) years following the issuance of a certificate of occupancy.

Mutual Responsibility

Resident Responsibility

Carpentry

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| <ul style="list-style-type: none">• Repair/adjust front entrance doors• Repair/adjust interior doors jammed due to building movement• Repair/replace weather stripping on exterior doors and windows• Repair/replace garage door paneling and roller guides• Repair/replace exterior sliding doors, windows, window screens due to normal wear• Repair/replace worn or inoperable door lock• Repair/replace loose or damaged floor covering due to structural failure, common plumbing line failure, or building movement, except when no prompt notice to Mutual regarding a leak• Remove bird nest/obstruction in fan vent and install vent screening• Repair/replace broken windows due to building movement• Exterior preventive maintenance of windows• Repairing squeaky floors except for carpet removal/reinstallation | <ul style="list-style-type: none">• Repair/replace mailbox or lock• Repair/replace doorbell• Repair/replace shower door glass• Repair/replace/adjust storm door or screen door• Repair/replace loose or broken interior base molding, casing, trim, etc.• Repair/replace cabinets and components• Repair/replace interior doors and hardware• Repair/replace floor covering due to ordinary wear and tear or to the Resident's negligence or alteration• Repair plaster cracks resulting from drying, shrinkage, etc.• If Mutual is repairing squeaky floors, Resident pays for removal/reinstallation of carpet• Repair of floor coverings when prompt notice to the Mutual regarding a leak is not given |
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Mutual Responsibility	Resident Responsibility
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Electrical (Wiring and Components)

- | | |
|--|---|
| <ul style="list-style-type: none"> • Repair/replace interior/exterior/carport outlets • Repair/replace interior wall switches • Repair electrical wiring in walls • Repair short circuit in Mutual's standard appliance • Repair/replace thermostat (except with optional heat pump) • Repair/replace bathroom fan/motor/cleaning element or clean fan • Repair/replace electric cord plug on Mutual's standard appliance • Repair, reset, tighten, or replace exterior and interior circuit breakers and circuit breaker panels (except with optional heat pump) • Repair/replace walkway lighting fixtures and bulbs, including post-mounted lights at street edge • Replace fluorescent ballast | <ul style="list-style-type: none"> • Repair/replace lighting fixtures controlled by an interior switch • Replace interior light bulbs and fluorescent tubes • Repair/replace cable TV wiring |
|--|---|

Mutual Responsibility

Resident Responsibility

Garbage Disposals

- Instruction on proper operation
- Replace inoperable disposal unit
- Repair hose leak
- Reset motor overload switch.
- Replace burned out switch
- Repair/replace control switch
- Repair jammed disposal unit
- Repair plugged drain
- Repair/replace stopper or deflector

Mutual Responsibility

Resident Responsibility

Heating, Ventilating and Air Conditioning Systems

- Air conditioners, furnaces and heat pumps are the Mutual's property; all cleaning, maintenance, adjustments, lubrication, repair and replacement are the Mutual's responsibility
- Give instructions on proper operation
- Check for power
- Repair/replace standard wall air conditioner unit
- Repair/replace heat pumps installed by Resident
- Repair/replace/adjust standard thermostat

Mutual Responsibility

Resident Responsibility

Landscaping in the Common Area

- Maintenance of turf areas, ground cover, shrubs, trees, irrigation system and surface and sub-surface drainage in the Common Area
- Tree pruning, trimming or removal at request of and for sole benefit of a Resident. Requires approval of the Landscape Committee, affected neighbors and, if required, City of Walnut Creek
- Landscaping and irrigation and drainage systems in patio areas
- Individual landscaping, approved by Mutual, on area adjacent to Common Area

Mutual Responsibility

Resident Responsibility

Landscaping in the Common Area

- Maintenance of turf areas, ground cover, shrubs, trees, irrigation system and surface and sub-surface drainage in the Common Area
- Tree pruning, trimming or removal at request of and for sole benefit of a Resident. Requires approval of the Landscape Committee, affected neighbors and, if required, City of Walnut Creek
- Landscaping and irrigation and drainage systems in patio areas
- Individual landscaping, approved by Mutual, on or adjacent to Common Area

Mutual Responsibility	Resident Responsibility
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Painting

- | | |
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| <ul style="list-style-type: none"> • Exterior surfaces of buildings, including enclosed decks or patios • Outside surface of exterior doors, except inside an enclosed deck or enclosed patio • Exterior shells of air conditioning and heat pump units • Interior surfaces of manor damaged by plumbing leaks, water penetration of roof or walls, building movement or other hazards, not the result of Resident's negligence • Interior surfaces of manor damaged by building movement | <ul style="list-style-type: none"> • Inside surface of exterior doors • Interior surfaces of manor • Interior surfaces of alterations • Original exterior building wall by an alteration <p>Note: Mutual dictates color palette for exterior surfaces of buildings, including trim and doors</p> |
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Mutual Responsibility

Resident Responsibility

Pest Control (Including Termites)

- Exterior of buildings, in walls and attics, including control of weeds, plant diseases, rodents, ants and other insects
- Inspection for wood-eating insects
- Interior of buildings includes control of rodents, ants, and other insects

Mutual Responsibility	Resident Responsibility
Plumbing	

- | | |
|--|--|
| <ul style="list-style-type: none"> • Repair leaks/clear stoppages in walls, ceilings or floors • Repair leaks in manor except in sink, tub and shower faucets and their components • Repair/replace sink waste lines, traps and angle stops except supply lines. • Clear/repair/replace dishwasher discharge hose and air gap vent
Repair/replace outside faucets (except alterations) • Adjust building water pressure regulator • Remove debris from water supply lines, valves and aerators • Install relief valves ("beehives") in waste line | <ul style="list-style-type: none"> • Repair leaks in sink, tub and shower faucets and their components Repair leaks/clear stoppages in manor except in walls, ceilings or floors • Repair/replace/adjust toilet seats, tank, bowl, valves, etc. • Repair/replace faucets in manor
Repair/replace cracked, chipped, rusted or damaged sinks, basins, tubs or shower pans
Repair/replace/clean bathtub and sink stoppers or components
Clean/repair/replace faucet aerators • Replace plumber's putty seal (wax ring) • Repair/replace flexible shower or components • Repair/replace kitchen sink soap dispenser or components • Re-caulk/re-grout bathtub/sink/shower wall tiles or shower door frames or tracks • Repair/replace water filters
Repair/replace faucets, baskets, seals, supply lines, etc. |
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Mutual Responsibility

Resident Responsibility

Roofs

- Replacement and repair of roofs, gutters and downspouts, except those on alterations
- Replacement and repair of roofs, gutters and downspouts on alterations

Mutual Responsibility	Resident Responsibility
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Smoke Detectors

- | | |
|--|--|
| <ul style="list-style-type: none"> • Annual inspection of smoke detectors and external warning horns • Replace inoperable first smoke detector/batteries/external horns • Install/replace additional smoke detectors if required by Building Code | <ul style="list-style-type: none"> • Install additional smoke detectors if required by Building Code due to resident's alteration • Install additional smoke detectors at resident's option • Replace additional smoke detectors if optional or installed because of alteration |
|--|--|

Note: All additional smoke detectors must be battery operated and wall-mounted

Mutual Responsibility	Resident Responsibility
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Carbon Monoxide Detectors

- Install carbon monoxide detector in hallways adjoining sleep areas at each level
- Replace batteries as needed

Mutual Responsibility

Resident Responsibility

Standard Kitchen Appliances:

Dishwashers, Refrigerators, Ranges, Ovens, Vents, Hoods, Cooktops, etc.

- Instructions on proper operation
- Repair/replace Mutual's standard kitchen appliances and their components
- Check oven for reasonable accuracy of temperature
- Repair/replace/clean damper valve (kitchen exhaust fan)
- Check refrigerator temperature
- Clean refrigerator condenser (during annual manor lube only)
- Repair/replace upgraded or non-standard kitchen appliances
- Repair/replace ice maker
- Defrost refrigerator or freezer

Mutual Responsibility

Resident Responsibility

Telephone Wirings

- Replace/repair telephone wiring from the user interface device (UID) into the telephone jack in the manor (maximum of two telephone lines per unit)
- Repair/replace telephone jack
- New installations

Note: Repair work should be done only after telephone company inspection to determine location of the problem and responsibility

Mutual Responsibility

Resident Responsibility

Water Heaters

- Instructions on proper operation
 - Replace inoperable water heater or electric heater element
 - Replace flexible pipe or gaskets
 - Adjust/replace drain pan
 - Replace operating water heater at Mutual's option (see qualifications on page A-3)
 - Double-strap water heater for earthquake safety
- Adjust water temperature thermostat

MUTUAL OPERATIONS DIVISION CHARGES
FOR MAINTENANCE AND REPAIR WORK

1. **Labor Charge.** The hourly rate for each serviceperson (worker) on a job is calculated from the time they arrive at the manor or place of work until they depart. The labor charge, which is based on current costs and a markup 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.
2. **Material Charges.** Any materials needed to complete the job are charged in addition to labor.
3. **Responsibility for Payment.** Items designated as "Mutual Responsibility" in Appendix A will be paid by Mutual No. Eight. Items designated as "Resident Responsibility" will be paid by the Resident. If Resident-billable maintenance or repair is rendered by Mutual Operations Division (MOD), payment is required at the time that service is rendered.
4. **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.

PRIVATE GARDEN DOCUMENT

There is a considerable variety of plant species that are not suitable for use in Mutual Eight because they: may require excessive watering or a frost-free climate; may get too big for the space; have invasive roots or brittle branches; lack disease resistance; or blow over easily. Frequent complaints are directed at plants which produce messy fruit or berries, or attract deer which "prune" the plantings beyond recognition. Very troublesome are trees that damage walkways or structures with their roots, or grow up to block a neighbor's view. Something that looks nice on a hillside may be completely unsuitable in a garden.

1. The Mutual's property manager, MOD, can advise you on the suitability of flowers, shrubs and trees when you request a Private Garden Application at the MOD office.
2. Landscape Improvements that are NOT Private Gardens.

A Resident or group of Residents may wish to improve the landscape area around their building(s) without a Private Garden Permit. Working with the Mutual Director who serves as Landscape Coordinator, and with the advice of MOD, they can develop plans consistent with other landscaping in the area, using plantings, irrigation, soil preparation, etc., proven to be acceptable and not requiring extra or specialized maintenance. After approval by the Landscape Coordinator, the Resident(s) would be responsible for the cost of all materials and labor for the planting. Maintenance would then be handled by the Mutual's landscape contractor on a standard routine basis at no further cost to the Resident(s).

3. Maintenance Regulations for Private Gardens.
 - A. A private garden is neither planted nor maintained at the Mutual's expense. All irrigation and other maintenance of a private garden is the responsibility of the Resident.
 - B. If the Resident's private garden is not maintained in proper condition, the Board of Directors may cancel the Private Garden Permit and require the Resident to restore the area to its original condition of standard landscaping, at no cost to the Mutual.
 - C. If at Resale a Resident's private garden is found to be in need of maintenance, or if the Buyer refuses to accept responsibility for all further maintenance of the Seller's private garden, the Board will require the Seller to restore the area to its original condition of standard landscaping, at no cost to the Mutual.

4. Procedure to Secure a Private Garden Permit.

A. The Resident.

- i. Prepares a Private Garden Application;
- ii. Obtains approval of neighbors who might be affected;
- iii. Obtains approval of Mutual's Landscape Coordinator; and
- iv. Submits application to MOD.

B. MOD.

- i. Reviews application with Mutual's landscape contractor;
- ii. If not approved, application is returned to Resident with suggestions for acceptable changes;
- iii. If approved, application is forwarded to Mutual Board.

C. Mutual Board.

- i. Authorizes or denies the application.

PROCEDURE FOR NOMINATION AND ELECTION OF DIRECTORS

The Mutual's Bylaws and California Civil Code sections 5100 and 5105 address the nomination and election of members to the Board of Directors. The procedure for nomination and election of directors is described below:

1. Approximately 120 days prior to the scheduled election, the Mutual's Manager should contact the Mutual's insurance broker regarding: (a) whether the D&O policy will cover a volunteer homeowner as Inspector of Elections (if applicable); (b) whether the Mutual's insurance policies will cover indemnity of the Inspector of Elections; and (c) in an election of directors, which criminal convictions will prevent the Mutual from purchasing a fidelity bond or will result in termination of the Mutual's existing fidelity bond coverage if a convicted person is elected.
2. Approximately 120 days prior to the scheduled election, the Board should determine who will serve as Inspector of Elections, appoint said person or persons to serve as Inspector of Elections, and have a contract for Inspector of Elections services reviewed by the Mutual's legal counsel, if necessary. There shall be one or three Inspectors of Election, who may be Mutual Members who are not Members of or candidates for the Board of Directors nor relatives of Members or candidates for the Board of Directors, or an individual third party who is not currently employed or under contract to the Mutual for any compensable services other than serving as an Inspector of Elections.
3. The Inspectors of Election shall perform the duties described in Section 5 of the Voting and Election Rules (Appendix H below), in which they may be assisted by a Member of Management familiar with the list of legal manor owners.
4. Approximately 110 days, but no less than 90 days, the Mutual shall provide general notice of the procedure and deadline for submitting a nomination and shall give all Members an opportunity to nominate themselves as candidates for the Board of Directors.
5. The Call for Candidates Form must be received by the Board's Secretary by the deadline established by the Mutual.
6. The Mutual shall review all persons so responding for compliance with the qualifications identified in California Civil Code section 5105(b), as follows:
 - A. Be a Member of the Mutual prior to the close of nominations;
 - B. Be current in all regular and special assessment payments, to the extent that the Bylaws hold current directors to the same standard;
 - C. Not have a past criminal conviction that would either (a) prevent the Mutual from purchasing the fidelity bond coverage required by California Civil Code

section 5806 should the person be elected, or (b) terminate the Mutual's existing fidelity bond coverage as to that person should that person be elected; and

- D. No more than one (1) Owner of any particular Unit may serve on the Board at the same time.
7. All qualified persons who timely respond to the Mutual's solicitation shall be candidates for the Board of Directors at the next election, unless they are disqualified by the Board. All Call for Nomination Forms will be securely retained by the Mutual, who will add them as attachments to the Minutes of the upcoming Annual Meeting of the Membership.
 8. 65 days prior to the election, the Mutual shall prepare a candidate registration list (i.e., the list of all qualified candidates) and voter list (including name, voting power, and either the physical address of the voter's separate interest, the parcel number, or both). The candidate registration list and the voter list shall be made available for Member inspection in the Board Services Office.
 9. From each candidate, the President will request a brief statement *brief* the candidate's qualifications, to be included with the Notice of Annual Meeting and Proxies to be mailed to the membership not more than 30 days before the date of the Annual Meeting and also included with the Notice of Annual Meeting published in the Rossmoor News. Write-in candidates are not permitted in an election of Directors.
 10. At its April regular meeting, the Board shall fix a record date which shall be not more than 60 or fewer than 10 days earlier than the date of the Annual Meeting, as prescribed by Section 7.2 of the Bylaws. Only Members of record on the date so fixed are eligible to vote at the Annual Meeting.

MUTUAL BINDER

A blue binder will be distributed to each residence upon transfer of ownership. The binder contains all of the useful information concerning the Mutual: the Policies; Articles of Incorporation and Bylaws; Occupancy Agreement; and Financial Information.

Revisions to the Policies and/or legal documents will be distributed to owners as they occur. *Owners are requested to update their binder as these revisions occur.*

Emergency preparedness information, budgets, and any other informational documents can also be kept in the blue binder.

Owners are requested to keep the blue binder in a safe place where it can be located easily.

The blue binder is the property of Mutual Eight. It is to be returned to the Mutual Board Office whenever there is a transfer of ownership. If not returned prior to close of escrow, the transferor is subject to a fee of \$25.00.

AUTHORIZATION FOR EXECUTING ALTERATION AGREEMENT
ON BEHALF OF MUTUAL EIGHT

The Director of Mutual Operations and the Chief Inspector are authorized to execute alteration agreements on behalf of Mutual Eight for the Board-approved standard Mutual Eight manor alterations listed below:

EXCEPTIONS

This authorization does not extend to any alteration not listed below.

This authorization does not extend to any alteration listed below that:

- Does not conform with standards approved by Mutual Eight
- Affects the external appearance of the building
- Encroaches on the Common Area
- Is disapproved by one or more neighbors who might be affected (owner's duty to solicit neighbors' opinions)

1. Air conditioner or heat pump (new, replacement, or relocation)
2. Bath addition or conversion
3. Bathroom remodeling
4. Bathtub/shower conversion
5. Cabinets (exterior, carport built-ins)
6. Cable outlets (exterior wall penetration)
7. Carpeting (outdoor, above-grade patios, and decks that require a waterproof membrane)
8. Chairlifts
9. Door (exterior, including screen door)
10. Downspouts and gutters
11. Electrical circuits (new)
12. Fireproofing for gasoline golf cart or auto storage
13. Flooring, routine hard surface applications
14. Handrails (exterior)
15. Insulation
16. Kitchen remodel
17. Ramp (exterior)
18. Skylights
19. Trellis or windscreen
20. Wall removal
21. Washer or dryer installation (new installation, not replacement)
22. Window (new replacement)
23. Window and/or door (through exterior wall)

BOARD OF DIRECTORS WALNUT CREEK MUTUAL NO. EIGHT
POLICY REGARDING MEMBER ACCESS TO MUTUAL RECORDS

The following sets forth the policy of Walnut Creek Mutual No. Eight (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 I 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."

A. "Tier One Records." Tier One Records shall consist of the following:

1. The current governing documents of the Mutual (i.e., Articles of Incorporation, Bylaws, Declaration of Covenants, Conditions and Restrictions, current form of Occupancy Agreements, Rules and Policies adopted by the Board);
2. 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;
3. 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 5300 or 4525 of the California Civil Code;
4. Unaudited statements, periodic or as compiled, that contain a balance sheet, an income and expense statement and/or a budget comparison;
5. State and federal tax returns; statements showing the balances in the Mutual's operating and reserve accounts and payments made from the reserve account; and
6. Any other records described as "Association records" in Section 5200(a) of the California Civil Code.

- B. Tier Two Records. "Tier Two Records" shall consist of the following:
1. Invoices;
 2. Receipts; cancelled checks drawn on Mutual checking accounts;
 3. Periodic statements for credit card accounts in the name of the Mutual;
 4. Statements for services rendered by third party service providers;
 5. Purchase orders approved by the Mutual;
 6. Reimbursement requests; and
 7. Other records described as "enhanced association records" in Section 5200(b) of the California Civil Code.

Article II Membership List.

- A. 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.
- B. 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:
1. Any Member shall have the right to opt out, as provided in Section 5220 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.
 2. 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.
 3. 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.

4. The Mutual shall have the right, subject to the provisions of Section 5300(a)(1)(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 III Minutes.

- A. 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 28 days after the date of the meeting or, if a proper written request for access to such minutes is received later than 28 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.
- B. 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 IV 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 V When Records Will Be Made Available.

- A. 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.

- B. 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.
- C. 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 California Civil Code section 5210, the Mutual shall not be obligated to make committee minutes available prior to January 1, 2007.

Article VI 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 VII 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 VII Withholding or Redacting of Certain Information.

- A. Information Which May be Withheld or Redacted. The Mutual may withhold or redact from records made available to a Member the following information:
 - 1. Information that is reasonably likely to lead to identity theft as defined in Section 5205(g) of the California Civil Code;
 - 2. Information that is reasonably likely to lead to fraud in connection with the Mutual;
 - 3. Information that is privileged under the law;
 - 4. Information that is reasonably likely to compromise the privacy of an individual Member;
 - 5. 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;

6. Information consisting of records of disciplinary actions, collection activities or payment plans relating to Members other than the requesting Member;
 7. The personal identification information of a person as described in Section 5205(g) of the California Civil Code;
 8. 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;
 9. Personnel records of Mutual employees other than compensation information that may not be withheld or redacted as provided in Section 5205(g) of the California Civil Code; and
 10. Architectural plans, including security features, for the interior of individual Manors.
- B. 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.
- C. 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 IX Reimbursement of Costs Incurred by Mutual in Making Records Available.

- A. 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.
- B. 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.
- C. 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 by any enforcement action or proceeding.

Article XI Conflicts.

This Policy has been prepared in accordance with and in compliance with California Civil Code section 5300 effective July 1, 2006. The Mutual's Amended Bylaws were approved by the Mutual membership on June 8, 2003 and approved by the U.S. Department of Housing and Urban Development ("HUD") on June 21, 2005. The Amended Bylaws reflect the then-current laws governing Member inspection of records. In the event of a conflict between the terms of this Policy and Section 15.4 (entitled "Members' Inspection Rights") of the Mutual's Amended Bylaws, the terms of this Policy shall control.

WALNUT CREEK MUTUAL NO. EIGHT
VOTING AND ELECTION RULES

1. General.

1.1 These Voting and Election Rules ("**Rules**") are intended to comply with California Civil Code sections 5100 through 5130 and shall apply to Member voting: (1) to elect or remove Members of the Board of Directors; (2) regarding assessments; (3) regarding amendments to the governing documents; (4) regarding the granting of exclusive use of Common Area property; and (5) at the discretion of the Board of Directors, regarding any other matter that may be the subject of a vote of Mutual Members. These Rules shall become effective on December 31, 2019.

1.2 As used in these Rules, "general notice" means providing notice by one or more of the following methods: any method provided for delivery of an individual notice pursuant to California Civil Code section 4040; inclusion in a billing statement, newsletter, or other document; posting the printed document in a prominent location that is accessible to all Members, if the location has been designated for the posting of general notices by the Mutual in the annual policy statement (e.g., on the bulletin board in the Gateway Administration Center); if the Mutual broadcasts television programming on GRF-owned Rossmoor Channel 28 for the purpose of distributing information on Mutual business to its Members, by inclusion in the programming.

2. Access to Mutual Media and Facilities.

2.1 No candidate or Mutual Member advocating a point of view for purposes related to an election covered by these Rules shall be allowed access to any form of Mutual media including, but not limited to, newsletters, Common Area bulletin board, internet website, social media pages or television programming after written ballots are distributed as specified in Section 7.1 until the conclusion of the election. "Mutual media" shall not include correspondence to the Members via first-class mail, personal delivery, or email. For purposes of this section, "advocacy" shall not include the following: (1) "get out the vote" efforts or publication of communications in any format which are solely for the purpose of encouraging Members to timely return ballots to the Inspector(s) of Elections for tabulation; (2) descriptions of the purpose and effect of a proposed rule change pursuant to California Civil Code section 4360; or (3) a factual summary of significant changes to the governing documents accompanying the text of a proposed amendment pursuant to California Civil Code section 5115(e).

2.2 "Equal access" shall mean, for written statements on any platform, publication of written statements not to exceed a predetermined number of words and, for broadcast statements on any platform, including GRF-owned Rossmoor Channel 28, broadcast statements not to exceed a predetermined length of time. The Board may require that broadcast statements be pre-recorded in order to comply with the predetermined time limit. The Board shall not edit or

redact any statement, and shall not be required to publish any statement, written or broadcast, which exceeds the predetermined word or time limit.

- 2.3 The Mutual shall not be responsible or liable for the content of any statement published pursuant to the "equal access" rules. The author or proponent of any statement or point of view shall be solely responsible and liable for the content of their statements. All statements published in Mutual media pursuant to the "equal access" rules must identify the author or proponent, which author or proponent must be a Mutual Member to be eligible to publish in Mutual media. Anonymous statements will not be accepted or published.
- 2.4 If the Mutual uses Mutual media to advocate for a particular position (excepting "get out the vote" activities as described above) regarding an election of Directors to the Board, then it shall make the same media in a comparable format (but not necessarily contemporaneously) available to all candidates to allow advocacy by the candidate(s) regarding the Mutual position. Additionally, the Board may, but is not required to, generally make Mutual media (i.e., posting on the Mutual's official bulletin board, official website, broadcasting via GRF-owned Rossmoor Channel 28 or other television or internet video channel, or other notices mailed or delivered by the Mutual to the owners of the Units) available to 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 such general access to Mutual media, then all candidates shall be allowed equal access to the same media.
- 2.5 If the Mutual uses Mutual media to advocate for a particular position (excepting "get out the vote" activities as described above) regarding any other matter, then it shall make the same media in a comparable format (but not necessarily contemporaneously) available to Members advocating a point of view. Additionally, the Board may, but is not required to, generally make Mutual media (i.e., posting on the Mutual's official bulletin board, official website, broadcasting via GRF-owned Rossmoor Channel 28 or other television or internet video channel, or other notices mailed or delivered by the Mutual to the owners of the Units) available to Members for purposes that are reasonably related to the election in which the Mutual advocated a position.
- 2.6 For each election of Directors, the Mutual may, but is not required to, schedule one "Meet the Candidates" town hall meeting at GRF Common Area meeting space where each nominated candidate may attend and speak to any Mutual Members choosing to attend according to guidelines which may be established by the Board of Directors.
- 2.7 For each other election subject to these Rules, the Mutual may schedule one informational meeting at GRF Common Area meeting space at which any Member advocating a point of view which is the subject of a pending election may attend and address the attendees according to guidelines which may be established by the Board of Directors.

- 2.8 With the exception of refreshments which may be provided at the above assemblies, no Mutual funds shall be used for campaign purposes in connection with any election which is subject to these Rules.
- 2.9 The Board shall ensure that all candidates for election to the Board are given access to GRF Common Area meeting space, at no cost, for purposes related to their campaigns.
- 2.10 Whenever the Board places a matter before the Members which requires Member approval, the Board shall ensure that Members advocating a point of view on the matter are given access to Common Area meeting space, at no cost, for purposes reasonably related to advocating their point of view, whether or not they agree with the point of view advocated by the Board on the matter at issue.

3. Qualifications of Candidates.

- 3.1 Consistent with California Civil Code section 5105(b), candidates for the Board of Directors must meet qualifications as set forth hereafter.
 - 3.1.1 Be a Member of the Mutual prior to the close of nominations;
 - 3.1.2 Be current in all regular and special assessment payments, to the extent that the Bylaws hold current directors to the same standard;
 - 3.1.3 Not have a past criminal conviction that would either (a) prevent the Mutual from purchasing the fidelity bond coverage required by California Civil Code section 5806 should the person be elected, or (b) terminate the Mutual's existing fidelity bond coverage as to that person should that person be elected; and
 - 3.1.4 No more than one (1) Owner of any particular Unit may serve on the Board at the same time.

4. Nomination of Candidates.

- 4.1 To the extent not in conflict with California Civil Code sections 5100 and 5105, candidates for the Board of Directors shall be nominated as set forth hereafter.
 - 4.1.1 At least 30 days before any deadline for submitting a nomination, the Mutual shall provide general notice of the procedure and deadline for submitting a nomination and shall give all Members an opportunity to nominate themselves as candidates for the Board of Directors.
 - 4.1.2 Interested persons must inform the Mutual's managing agent or Board of Directors in writing of their request to be a candidate for the Board of Directors (self-nomination). Any self-nominated candidate must disclose a past criminal conviction that would either prevent the Mutual from purchasing the fidelity bond coverage required by California Civil

Code section 5806 should the person be elected or terminate the Mutual's existing fidelity bond coverage as to that person should that candidate be elected to the Board.

- 4.1.3 Nominations for candidates wishing to be included on the mailed ballots shall close on the date established by the Mutual. All nominations to be included in the written ballot must be in writing and delivered to the Mutual by the deadline established by the Mutual, which deadline shall be in advance of the date on which the ballots are mailed.
- 4.1.4 The Mutual shall review all persons so responding for compliance with the qualifications identified in Section 3 of these Rules.
- 4.1.5 All qualified persons who timely respond to the Mutual's solicitation shall be candidates for the Board of Directors at the next election.
- 4.1.6 The Mutual shall provide general notice of the following at least 30 days before the ballots are distributed:
 - a. The date and time by which, and the physical address where, ballots are to be returned by mail or handed to the Inspector(s) of Elections;
 - b. The date, time and location of the meeting at which ballots will be counted; and
 - c. In an election of Directors, the list of all candidates' names that will appear on the ballot (i.e., the candidate registration list).
- 4.1.7 The Mutual shall permit Members to verify or correct, by providing documentary evidence (including, but not limited to, a grant deed or general power of attorney) satisfactory to the Inspector(s) of Elections, the accuracy of their individual information on the candidate registration list (as applicable) and the voter list. The voter list shall include the voter/Member's name, voting power, and either the physical address of the voter's (a) Unit, or (b) parcel number, or (c) both, and the mailing address for the ballot if it differs from the physical address of the separate interest or if only the parcel number is used.

5. Inspector(s) of Elections.

- 5.1 The Board shall appoint one or three Inspector(s) of Elections who shall perform all functions required by California Civil Code sections 5105 and 5110, including:
 - 5.1.1 Determine the number of Members entitled to vote and the voting power of each;
 - 5.1.2 Determine the authenticity, validity and effect of proxies, if any;

- 5.1.3 Receive and be the custodian of ballots, and direct the location to which ballots shall be sent until tabulated by the Inspector(s) of Elections;
 - 5.1.4 Correct errors or omissions on the candidate registration list (if any) and/or voting list within two business days of the errors or omissions being reported, with receipt of satisfactory documentary evidence;
 - 5.1.5 Hear and determine all challenges and questions in any way arising out of or in connection with the right to vote;
 - 5.1.6 Count and tabulate all votes;
 - 5.1.7 Determine when the polls shall close, with the discretion to extend the deadline for voting as necessary;
 - 5.1.8 Determine the results of the election; and
 - 5.1.9 Report the results of the election to the Board of Directors.
- 5.2 Eligible Inspectors of Elections may include:
- 5.2.1 Any Mutual Members who are not Members of or candidates for the Board of Directors nor relatives of Members or candidates for the Board of Directors; and
 - 5.2.2 An individual third party who is not currently employed or under contract to the Mutual for any compensable services other than serving as an Inspector of Elections.
- 5.3 The Mutual may, at the discretion of the Board of Directors, provide reasonable compensation to the Inspector(s) of Elections.
- 5.4 The Inspector(s) of Elections may appoint and oversee additional persons to verify signatures and to count and tabulate votes as the Inspector(s) deem appropriate, provided that the appointed persons would themselves be eligible to serve as Inspector(s) of Elections pursuant to Section 5.2, above.

6. Voting Rights.

- 6.1 Each Mutual Member shall be entitled to a single vote with regard to each matter that is the subject of a pending election. For purposes of these Rules, therefore, all record owners of a single Unit shall collectively constitute one "Mutual Member." In an election of Directors, each Mutual Member shall be entitled to cast the number of votes equal to the number of Directors to be elected. However, cumulative voting is not permitted. Write-in candidates are not permitted in an election of Directors.

- 6.2 A Member shall not be denied a ballot for any reason other than not being a Member at the time when ballots are distributed.
- 6.3 A ballot may not be denied to a person with general power of attorney for a Member and a ballot of a person with general power of attorney for a Member must be counted if returned in a timely manner (i.e., by the ballot return deadline).
- 6.4 The voting period will run from the date on which ballots are distributed (as specified in Section 7.1, below) until the polls are closed.

7. Voting Procedures.

- 7.1 Mailing of voting packets. At least 30 days before the election, one voting packet shall be delivered to each Mutual Member. Each packet shall contain the following:
 - 7.1.1 The ballot or ballots;
 - 7.1.2 Two sealable envelopes. The smaller (inner) envelope shall have no markings identifying the voter. The larger (outer) envelope shall be pre-addressed to the Inspector(s) of Elections, Walnut Creek Mutual No. Eight. The upper left corner of the larger envelope shall contain the Member's name, address, and Unit number that entitles the Member to vote (or provide spaces to fill in such information) and provide a place for the Member's signature;
 - 7.1.3 Instructions on how to use the two-envelope system; and
 - 7.1.4 Notice of the date, time and location of the meeting of the Board or Members at which the ballots will be opened and tabulated.
 - 7.1.5 A copy of these Voting and Election Rules (via individual delivery or posting to an internet website and including the corresponding website address on the ballot together with the phrase, in at least 12-point font: "The rules governing this election may be found here: rossmoor.com website.").
- 7.2 Ballot content. Each ballot shall contain the following:
 - 7.2.1 In an election of Directors, each candidate's name listed alphabetically;
 - 7.2.2 The identification of any other matter that is the subject of a pending Member vote;
 - 7.2.3 A statement of when ballots must be returned by mail or hand delivery.

7.3 Receipt of ballots.

- 7.3.1 All ballots shall be received by the Inspector(s) of Elections at locations as specified by the Inspector(s) of Elections.
- 7.3.2 If so directed by the Inspector(s) of Elections, the Mutual's management staff shall maintain a log of all ballot envelopes received, noting whether the outer envelopes were signed or unsigned. The Inspector(s) of Elections may contact Members who return unsigned envelopes and make arrangements for Members to sign the envelopes prior to the date that the ballots are opened and tabulated.
- 7.3.3 Once a ballot has been received by the Inspector(s) of Elections, it may not be revoked. A ballot shall be considered received when the voting packet envelope (the outer envelope containing the inner envelope containing the ballot) has been received by the Inspector(s) of Elections.
- 7.3.4 Each ballot received by the Inspector(s) of Elections shall be treated as a Member present at a meeting for purposes of establishing a quorum if a quorum is required by the governing documents or California law to conclude the election.
- 7.3.5 The sealed ballots, signed outer voter envelopes, voter list, proxies, and (if applicable) candidate registration list (collectively, the "Mutual election materials") shall at all times be in the custody of the Inspector(s) of Elections or at a location designated by the Inspector(s) until after the tabulation of the vote at a properly noticed, open meeting of the Members or the Board of Directors, and until the time allowed by California Civil Code section 5145 for challenging the election has expired (i.e., one (1) year after the election), at which time custody shall be transferred to the Mutual.

7.4 Proxies.

- 7.4.1 The Mutual shall have the option, but shall not be obligated, to distribute proxies for any election covered by these Rules. If the Mutual distributes a proxy form, any instruction given in that proxy directing the manner in which the proxy holder is to vote shall be set forth on a separate page of the proxy that can be detached and given to the proxy holder to retain. The proxy holder may then cast the Member's vote by secret ballot which will be provided by the Inspector(s) of Elections upon presentation of the proxy.
- 7.4.2 If a Member attempts to use a proxy, any instruction given in that proxy directing the manner in which the proxy holder is to vote should be set forth on a separate page of the proxy that can be detached and given to the proxy holder to retain. The proxy holder may then cast the Member's vote by secret ballot which will be provided by the Inspector(s) of Elections upon presentation of the proxy.

7.4.3 In the event the Mutual's Bylaws are amended to prohibit voting by proxy in connection with votes of the Members and/or Member meetings, voting by proxy shall not be permitted.

7.5 Election by acclamation. Unless prohibited by the Bylaws, if, as of the published deadline for nominations, the number of qualified candidates nominated does not exceed the number of Directors to be elected, then the individuals nominated and qualified to be elected may be declared elected on a date determined by the Board and the Inspector(s) of Elections, in which case written notice of the election results shall be given to the Members.

8. Tabulation of Ballots.

8.1 The voting packet envelopes shall be opened by the Inspector(s) of Elections after the close of the of the polls which shall be determined by the Inspector(s). The Inspector(s) of Elections, or their designees, may verify the Member's information and signature on the outer envelope prior to the opening and tabulation of ballots.

8.2 The voting packet envelopes shall be opened and the ballots tabulated by the Inspector(s) of Elections in public at a properly noticed, open meeting of the Members or of the Board of Directors.

8.3 Any candidate or other Member of the Mutual may witness the counting and tabulation of the ballot. However, no Mutual Member or candidate shall communicate with the Inspector(s) during the tabulation process, and all Members and candidates must remain at least five feet away from the counting area. The Inspector(s) of Elections may cause the removal of any observer who interferes with or disrupts the counting or tabulation process.

8.4 At the meeting at which ballots are to be opened and tabulated, the Inspector(s) of Elections may announce to the Members present those Members who neglected to sign the outer envelope and provide an opportunity for those Members to sign the outer envelope prior to tabulation of the ballots.

8.5 In the event there is a tie between candidates for the last open position on the Board, a runoff election shall be conducted via secret written ballot in accordance with these Rules. Under these circumstances, the procedures set forth above regarding the nomination of candidates shall not apply.

8.6 The results of the election shall be promptly reported to the Board of Directors and shall be recorded in the minutes of the next meeting of the Board of Directors.

9. Additional Procedures.

9.1 The Board of Directors shall give general notice of the tabulated results of the election within 15 days by a communication directed to all Members.

- 9.2 One year after the conclusion of the election, the Inspector(s) of Elections shall transfer custody of all ballots, signed outer voter envelopes, voter list, proxies and (if applicable) candidate registration list ("Mutual election materials") to the Mutual; the Mutual shall maintain the Mutual election materials for an additional two (2) years.
- 9.3 In the event of a re-count or challenge, the Inspector(s) of Elections shall, upon written request, make the Mutual election materials available for inspection by the challenging Mutual Member or its authorized representative. Outer voter envelopes may be inspected but may not be copied. The Mutual shall be entitled to redact the address of any Member on the voter list who has opted out of the membership list and the voter list. Any re-count shall be conducted in a manner designed to preserve the confidentiality of the vote.

RECORDING REQUESTED BY,
AND WHEN RECORDED, MAIL TO:

Walnut Creek Mutual No. Eight
c/o Hughes Gill Cochrane Tinetti, P.C.
Attn: Melissa Bauman Ward, Esq.
2820 Shadelands Drive, Suite 160
Walnut Creek, CA 94598

APN: [REDACTED] (Space Above for Recorder's Use)

Installation, Maintenance, and Indemnification Agreement

This Installation, Maintenance, and Indemnification Agreement ("Agreement") dated [REDACTED], [REDACTED] ("Effective Date") is entered into by and between Walnut Creek Mutual No. Eight ("Mutual") and [REDACTED] ("Owner" OR if more than one Owner then, collectively, "Owner"), who may hereafter collectively be referred to as the "Parties." For valuable consideration, the receipt of which is hereby affirmed, the Parties agree as follows:

1. Owner is the record owner of the property commonly known as [REDACTED], Walnut Creek, California ("Unit").
2. The Unit is located within the Walnut Creek Mutual No. Eight cooperative housing project in the City of Walnut Creek, County of Contra Costa, and State of California ("Project") and is more particularly described in **Exhibit "A"**, attached hereto and incorporated herein by this reference.
3. Owner, the Unit, and the Mutual are subject to the Mutual's Declaration of Covenants, Conditions and Restrictions ("CC&Rs"), and its duly adopted Bylaws, rules, policies, and guidelines.
4. Owner has requested permission from the Mutual to install [REDACTED] in the following location [REDACTED] *[insert description]*. Mutual has adopted Policies, which impose reasonable conditions for the approval of such applications.
5. This Agreement shall be binding upon the Owner and all successor Owners of the Unit, and put all potential and successor Owners of the Unit on notice of the terms and obligations imposed herein.
6. Owner shall comply with all requirements of the Mutual's governing documents, including but not limited to the CC&Rs, Bylaws, and Mutual Policies.
7. Owner shall comply with all applicable governmental laws, regulations, and procedures, and shall obtain all required City of Walnut Creek permits and authorizations

before installation. The _____ shall meet all applicable governmental and industry safety standards, and local permitting requirements.

8. Installation shall be performed by a licensed contractor or the contractor's registered salesperson meeting all the requirements set forth in Mutual's written approval of Alteration Application and otherwise imposed by Mutual.

9. Owner shall be responsible, at Owner's sole cost and expense, for maintaining the _____ in good condition and repair. Should an Owner fail to maintain the _____ in good condition and repair, the Mutual may remove the _____ immediately in the event of an emergency or, if not an emergency, after notice and a hearing in accordance with the Mutual's governing documents, at the Owner's expense. The Mutual shall not be responsible for any damage to the _____ or loss of use due to removal of the _____. If the Mutual must remove the _____, the Mutual shall not be responsible for replacing it. Reinstallation of the _____ shall be at the Owner's sole cost and expense and may require a new application.

10. Owner and each successor Owner of the Unit shall maintain the _____ in good condition and repair until it has been permanently removed.

11. Owner and each successor Owner of the Unit agrees to pay the costs of electricity associated with the _____.

12. Owner and each successor Owner of the Unit shall be responsible for all costs to repair any damage to the Unit, Common Area, Exclusive Use Common Area, or any other Unit and/or any other property damage and/or personal injury resulting from the installation, maintenance, use, repair, replacement, removal and/or reinstallation of the _____.

13. Owner and each successor Owner of the Unit shall be responsible for all costs for the installation, maintenance, use, repair, removal, replacement and/or reinstallation of the _____ until it has been permanently removed and for the restoration of the Common Area (including Exclusive Use Common Area) after permanent removal of the _____.

14. Owner and each successive Owner of the Unit shall be responsible to maintain a homeowners' liability insurance policy providing One Million Dollars (\$1,000,000) in coverage, which names the Mutual as an additional insured under the policy with a right to notice of cancellation, for the _____ until it has been permanently removed.

15. Owner and each successive Owner of the Unit shall be responsible to disclose to prospective buyers of the existence of the _____ and the related responsibilities of the successor Unit Owner under this Agreement and the Mutual's governing documents.

16. Owner shall remove the _____ at Owner's sole cost and expense, if necessary, to enable Mutual to meet its maintenance obligations imposed by the Mutual's governing documents. Should an Owner fail to remove the _____, the Mutual may remove the _____ immediately in the event of an emergency or, if not an emergency, after notice and a hearing in accordance with the Mutual's governing documents, at the Owner's expense. The Mutual shall not be responsible for any damage to the _____ or loss of use due to removal of the _____. If the

Mutual must remove the Solar Energy System, the Mutual shall not be responsible for replacing it. Reinstallation of the _____ shall be at Owner's sole cost and expense.

17. Mutual shall not be responsible for any accidents or incidents which may occur during installation, maintenance, use repair, replacement, use, removal and/or reinstallation of the _____. Additionally, Mutual shall not be responsible for the installation, maintenance, use, repair, replacement, use, removal and/or reinstallation of the _____.

18. Owner agrees to indemnify and hold harmless the Mutual, its Members, officers, directors, managing agents, and employees, from and against all losses, claims, expenses, causes of action, costs, demands, damages, expenses, judgment or liabilities, arising out of or relating in any way to the installation, maintenance, use, repair, replacement, use, removal and/or reinstallation of the _____. Owner further agrees to indemnify and hold harmless the Mutual for any economic damage the Mutual suffers, including the voiding of any warranty, as a result of the installation, maintenance, use, repair, replacement, use, removal and/or reinstallation of the _____.

19. Mutual may recover from Owner any expenses it incurs in connection with any violation of the Mutual Policies, in any manner provided by law or permitted by the Mutual's governing documents.

20. Mutual shall be entitled to recover from Owner all costs, including attorneys' fees, necessary to enforce the provisions of this Agreement. In the event of any litigation, arbitration, or other legal proceeding arising out of this Agreement, the prevailing party shall be entitled to recover its attorneys' fees and costs expended as a result.

21. This Agreement and the covenants contained herein shall run with the land, and shall be binding on and inure to the benefit of the Parties and their successors-in-interest, including any future Owners, purchasers, and transferees of the Unit.

22. This Agreement may be executed in counterparts by the Parties hereto and shall be effective when all Parties have executed the Agreement. Each counterpart will constitute an original.

23. The Parties agree that this Agreement may be recorded in the Official Records of Contra Costa, State of California, and further agree to take such further actions and execute such additional documents as are reasonably necessary to effectuate recordation of this Agreement.

IN WITNESS WHEREOF, THE PARTIES HAVE EXECUTED THIS AGREEMENT AS OF THE DATES SET FORTH BELOW.

MUTUAL:

Walnut Creek Mutual No. Eight

By: _____
[insert name here]

Its: _____
[insert title here]

Date

OWNER(S):

Owner Name: [insert name here]

Owner Name: [insert name here]

Date

EXHIBIT "A"
Legal Description

[insert legal description of the Unit]

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA
COUNTY OF _____

On _____, before me, _____, Notary Public, personally appeared, _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ **(Seal)**

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA
COUNTY OF _____

On _____, before me, _____, Notary Public, personally appeared, _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ **(Seal)**

**SENIOR HOUSING RESIDENCY RESTRICTIONS AND GUEST POLICY
FOR
WALNUT CREEK MUTUAL NO. EIGHT**

This document sets forth the Senior Housing Residency Restrictions and Guest Policy (the "Senior Housing Policy") for Walnut Creek Mutual No. Eight (the "Mutual") and the Mutual's policy concerning the age of residents, other occupants, and guests at the Walnut Creek Mutual No Eight housing cooperative (the "Project"). This Senior Housing Policy is adopted by the Board pursuant to Article 6 of the Mutual's Amended Bylaws (as amended from time to time, the "Bylaws"), and in compliance with the applicable federal and California law. This Senior Housing Policy was adopted, by the Board of Directors (the "Board"), at an open Board meeting held on _____, 2017, following notice to the Mutual's membership and consideration of any membership comments as required by Civil Code section 4360. This Senior Housing Policy is effective as of the date of its adoption by the Board.

1. Senior Citizen Housing Development. The Project is a senior housing development that is intended to (i) qualify for the "housing for older persons" exemption from the prohibitions on discrimination based on familial status contained in the federal Fair Housing Act, including those provisions adopted pursuant to the Fair Housing Amendments Act of 1988 and the Housing for Older Persons Act of 1995 (the "Federal Act"), (ii) qualify as a "senior citizen housing development" as that term is defined in California Civil Code section 51.3 (the "State Act"), and (iii) otherwise comply with the requirements of the Federal Act and the State Act.

2. Definitions. The terms used in this Senior Housing Policy shall have the definitions set forth in this Section 2. All other capitalized terms that are not defined in this Senior Housing Policy shall have the meanings ascribed to them in the Mutual's Bylaws unless the context requires otherwise.
 - A. Qualifying Resident. "Qualifying Resident" means a person fifty-five (55) years of age or older.

 - B. Qualified Permanent Resident. "Qualified Permanent Resident" shall mean a person who meets either of the following requirements:
 - (i) The person was residing with the Qualifying Resident prior to the death, hospitalization, or other prolonged absence of, or the dissolution of marriage with, the Qualifying Resident **and** the person was forty-five (45) years or older, or was a spouse, cohabitant (defined as persons who live together as husband and wife or persons who are domestic partners within the meaning of California Family Code section 297), or was a person providing primary physical or economic support to the Qualifying Resident, but not a Permitted Health Care Resident as defined in Section 2.A. above; or

 - (ii) The person is a disabled person (defined as a person who has a disability as defined in Civil Code section 54(b)) or person with a disabling illness or injury (defined as an illness or injury which results in a condition meeting the definition of a disability set forth in Civil Code section 54(b)) who is a child or grandchild of the Qualifying Resident or a Qualified Permanent Resident who needs to live with the Qualifying Resident or Qualified

Permanent Resident because of the disabling condition, illness or injury.

All persons who claim that they provide "primary physical support" or "primary economic support" to the Qualifying Resident, and are thus Qualified Permanent Residents under Section 2.B. (i) above, have the burden of proving that to the satisfaction of the Board.

Where it is asserted that a particular person provides primary physical support, the Qualifying Resident or the Qualifying Resident's agent may be required to provide one or both of the following to the Mutual: (1) a statement from the Qualifying Resident's physician, other medical provider, case worker or social worker about the Qualifying Resident's need for physical support, and (2) an explanation of the type and amount of physical support provided to the Qualifying Resident and a comparison to the support provided by others and the activities that the Qualifying Resident may undertake without assistance.

Where it is claimed that a particular person provides "primary economic support", the Qualifying Resident or his or her agent may be required to show that (1) the person claiming Qualified Permanent Resident status has independent means and is able to support himself or herself without financial assistance from the Qualifying Resident, and/or (2) the financial support provided to the Qualifying Resident by such person exceeds the income and other financial support independently received by the Qualifying Resident.

Absent satisfactory proof as outlined above, persons claiming Qualified Permanent Resident status based on the provision of "primary physical support" or "primary economic support" to the Qualifying Resident will be deemed to be Permitted Health Care Residents if they otherwise satisfy the requirements of Section 2.C. below.

- C. Permitted Health Care Resident. "Permitted Health Care Resident" shall mean 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 who is providing that care to the Qualifying Resident but is not a Qualified Permanent Resident as defined in Section 2.B. above. The care provided by a Permitted Health Care Resident must be substantial in nature and must provide either assistance with necessary daily activities or medical treatment, or both.
3. Generally, at Least One Qualifying Resident Must Permanently Occupy the Manor. Subject to Section 4 below and except as specifically otherwise provided in Sections 5 and 6, each Manor, if occupied, must be occupied by at least one (1) Qualifying Resident and all other persons occupying a Unit must be Qualified Permanent Residents or, as specified below, a Permitted Health Care Resident, or a person under fifty-five (55) years of age whose occupancy is permitted under California Civil Code sections 51.3(h) or section 51.4(b). Persons commencing any occupancy of a Manor must include a Qualifying Resident who intends to reside in the Unit as his or her primary residence on a permanent basis.
4. Occupancy by Permitted Health Care Residents. A Permitted Health Care Resident may occupy a Unit during any period that the Permitted Health Care Resident is actually providing live-in, long-term, or hospice health care to a Qualifying Resident for

compensation. For the purposes of this Section 4, the term "compensation" shall include the provision of lodging and food in exchange for care. A Permitted Health Care Resident shall be entitled to continue his or her occupancy, residence or use of the Unit in the absence of the Qualifying Resident from the Unit only if **both** of the following apply:

- A. The Qualifying Resident became absent from the Unit due to hospitalization or other necessary medical treatment and expects to return to the Unit within ninety (90) days from the date the absence began. If it appears that the Qualifying Resident will return within a period of time not to exceed an additional ninety (90) days, and upon written request of the Qualifying Resident or an authorized person acting for the Qualifying Resident, the Board may, in its discretion, allow a Permitted Health Care Resident to remain for a time period longer than ninety (90) days from the date the absence began; **and**
 - B. The absent Qualifying Resident, or an authorized person acting for the Qualifying Resident, submits a written request to the Board stating that the Qualifying Resident desires that the Permitted Health Care Resident be allowed to remain in order to be present when the Qualifying Resident returns to reside in the Project.
5. Burden of Proof. All persons claiming status as a Qualifying Resident, Qualified Permanent Resident, or Permitted Health Care Resident have the burden of providing that they meet the qualifications for the applicable status to the satisfaction of the Board.
6. Guests.
- (a) Guests who stay for more than 21 consecutive days must register at the Golden Rain Foundation Administration office located at 1001 Golden Rain Road, Walnut Creek, CA. The Mutual and Golden Rain Foundation of Walnut Creek must both acknowledge and approve each guest registration.
 - (b) Guests are only allowed to temporarily occupy the Manor if the Qualifying Resident and/or a Qualified Permanent Resident of such Manor is also present in the Manor during the same time period.
 - (c) Notwithstanding the provisions of Section 3 above, a person under fifty-five (55) years of age may temporarily occupy a Manor provided that he or she is a guest of the Qualifying Resident or a Qualified Permanent Resident and further provided the temporary occupancy of any one such guest may not exceed a maximum of sixty (60) days in any calendar year.
7. Continued Occupancy by Qualified Permanent Resident. Written notice shall be provided to the Mutual by the Owner or Owner's agent within fifteen (15) days of the death or dissolution of marriage, or hospitalization or other prolonged absence of the Qualifying Resident. Notwithstanding the provisions of Section 3 above, upon the death or dissolution of marriage, or upon hospitalization, or other prolonged absence of the Qualifying Resident, any Qualified Permanent Resident shall be entitled to continue his or her occupancy of the Manor provided that the Board of Directors determines that such continued occupancy shall not result in less than eighty percent (80%) of the Manors being occupied contain at least one Qualifying Resident as required by the Federal Act. The provisions of this Section 7 shall not apply to a Permitted Health Care Resident.

8. Cessation of Disability of Certain Qualified Permanent Residents. For any resident who is a Qualified Permanent Resident pursuant to Section 2.B. (ii) above, whose disabling condition ends, the Board may require the formerly disabled resident to cease residing in the Mutual upon such resident's receipt of six months' written notice.
9. Termination of Occupancy of Qualified Permanent Residents. Subject to the hearing requirements set forth in this Section 9, the Board may prohibit or terminate the occupancy of any person who is a Qualified Permanent Resident pursuant to Section 2.B. (ii) above (i.e., due to a disability or disabling illness or condition) if the Board finds, based on credible and objective evidence, that the person is likely to pose a significant threat to the health or safety of others that cannot be ameliorated by means of a reasonable accommodation.
 - A. The Board must provide reasonable notice to and opportunity to be heard, which conforms to the requirements of the Bylaws, for the disabled person whose occupancy is being challenged and reasonable notice to the co-resident parent or grandparent of that person.
 - B. To preserve privacy, the hearing must be conducted and evidence admitted in a confidential manner pursuant to a closed executive session of the Board. The Board shall give due consideration to the relevant, credible and objective information provided in the hearing.
 - C. The affected person(s) shall be entitled to have present at the hearing an attorney or any other person authorized by the affected person(s) to speak on their behalf or assist them in the matter.
10. Publication and Adherence to Policy. In compliance with the Federal Act, the Association shall publish and adhere to this Senior Housing Policy setting forth the Mutual's Senior Housing Residency Restrictions which demonstrate that the Mutual is intended, and operated for, occupancy by Qualifying Residents. The Mutual shall also comply with the federal rules and regulations for verification of occupancy adopted pursuant to the Federal Act.
11. Age Verification. The Owner of each Manor or such Owner's authorized agent shall certify to the Mutual, in writing, that such Manor is or will be occupied in the manner set forth in these Senior Housing Residency Restrictions. Such certification shall be submitted (i) when or before the Owner becomes the record Owner of the Manor, (ii) when or before there is any change in the occupants of the Manor, and (iii) at such other times as may be requested by the Mutual. Such certification shall be supported by reliable documentation of the age of each of the occupants of such Manor. The following documents are acceptable as proof of age:
 - A. Valid state-issued driver's license or identification card;
 - B. Medicare card;
 - C. Birth certificate;
 - D. Passport;

- E. Immigration card;
 - F. Military identification; or
 - G. State, local, national or international official documents of comparable reliability containing a birth date.
12. Verification of Status as Qualified Permanent Resident. Where a Manor is occupied by a Qualified Permanent Resident, the Owner or authorized agent of the Owner shall certify to the Mutual, in writing, that such Qualified Permanent Resident does in fact meet the definition of "Qualified Permanent Resident" set forth in Section 2.B. above. Such certification shall be supported by reliable documentation acceptable to the Mutual in its sole discretion, and shall be provided to the Mutual at such times as may be requested by the Mutual.
 13. Verification of Status as Permitted Health Care Resident. Where a Manor is occupied by a Permitted Health Care Resident, the Owner or authorized agent of the Owner shall certify to the Mutual, in writing, that such Permitted Health Care Resident does in fact meet the definition of "Permitted Health Care Resident" set forth in Section 2.C. above. Such certification shall be supported by reliable documentation acceptable to the Mutual in its sole discretion, and shall be provided to the Mutual at such times as may be requested by the Mutual.
 14. Implementation of Further Senior Housing Restrictions; Amendment. The Board shall have the power and discretion to take any action the Board deems necessary to implement further rules and regulations and amend and modify these Senior Housing Residency Restrictions to assure compliance with the Federal Act or the State Act and any rules and regulations adopted thereunder, as such statutes, governmental rules and regulations may be amended from time to time.

Adopted by the Board of Directors of Walnut Creek Mutual No. Eight on the ____ day of _____, 20__.

WALNUT CREEK MUTUAL NO. EIGHT

Date: _____

By: _____

[Insert name & title of officer]