

ROSSMOOR

WALNUT CREEK

Walnut Creek Mutual No. Eight

Policies

If these documents contain any restriction based on race, color, religion, sex, sexual orientation, familial status, marital status, disability, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, that restriction violates State and Federal Fair Housing Laws and is void, and may be removed pursuant to Section 12956.2 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

THIS 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 WILL BE SUBJECT TO A FEE OF \$25.00.

WALNUT CREEK MUTUAL NO. EIGHT

POLICIES

Revised and approved September 1, 2000
Revised January 13, 2004; July 18, 2006
Revised and approved March 24, 2015

WALNUT CREEK MUTUAL NO. EIGHT

STATEMENT OF POLICIES

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September 1, 2000

Revised January 13, 2004; July 18, 2006; March 24, 2015

PREFACE

These policies are furnished to members, residents and lessees to provide a description of the rules and regulations established by Walnut Creek Mutual No. Eight (Mutual or Mutual Eight).

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

These policies are not all-inclusive, and if they conflict with the Articles of Incorporation, Bylaws, Occupancy Agreement, Regulatory Agreement 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 from the Property Manager in any of these areas:

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

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

Revised 1/13/04; 7/18/06

September 1, 2000

DEFINITIONS

Alteration: any change made by a 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. Each shareholder is a 1/103rd owner of the common area 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. Subdividers normally record a declaration of CC&Rs to avoid having to include them in the deed for each parcel of the developed property.

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 Rossmoor.

Governing Documents: the Occupancy and Regulatory Agreements, Articles of Incorporation and Bylaws of the Mutual corporation, CC&Rs, this statement of policies and any other documents that pertain to the general governance of the Mutual.

Member: as more fully defined in the Bylaws, the owner of a share of stock in the Mutual.

Occupancy Agreement: a formal 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.

Regulatory Agreement: the agreement between the U.S. Department of Housing and Urban Development (HUD) and the Mutual whereby, in exchange for favorable mortgage terms under a Section 213 HUD loan program, HUD guarantees the loan in exchange for the payment of mortgage insurance and terms and conditions specified in the agreement.

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

Stock Certificate: 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 of a building, is prohibited without the specific prior approval of the Mutual's Design Review Committee (DRC). All installation and subsequent maintenance costs are the member's responsibility, including any incidental residence repair or reconstruction costs that arise because of an alteration.

On transfer of membership, the seller must get the buyer to accept full responsibility for proper maintenance of the alteration. 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 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 Mutual assumes responsibility for cleaning freezer drain pipes in 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.

BIRD SEED FEEDERS

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

CARPORT STALLS, ENTRIES, COMMON AREAS

a. Assignment of Space

- (1) Resident use or occupation of space on or in property of the Mutual without specific authority in writing from the Board is prohibited.
- (2) 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.

b. Carports, Parking and Guest Parking

- (1) 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.
- (2) No flammable material, including but not limited to items such as paints and stains, may be stored in a carport area.
- (3) Installation of storage cabinets in a carport area must be approved by the Board.
- (4) Carports may not be used as workshops.
- (5) 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).
- (6) 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.
- (7) All uncovered parking spaces are marked "Visitors Only", with the exception of up to 10 uncovered spaces, each to be designated "Resident Lease # ___ Only".

CARPORT STALLS, ENTRIES, COMMON AREAS (continued)

- (8) 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.
- (9) 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.
- (10) 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 8 resident can park either in the resident's assigned carport or on a Rossmoor roadway.
- (11) 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) at the time these changes are adopted. The eight current tenants shall be "grandfathered in", allowing them to remain according to their contract with Mutual 8, and current at the time of their original lease.
 - 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.

CARPORT STALLS, ENTRIES, COMMON AREAS (continued)

- 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.
- (12) 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.
- (13) Residents in a household in Mutual 8 may lease no more than one additional carport or uncovered space from Mutual 8. An exception is made for residents who wish to lease additional parking for a golf cart under the overhang of Building 1208 or 1232.
- (14) 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 manufacturer for the equipment with which it is being used.
- (15) 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.
- Residents using golf cart parking must sign a Golf Cart Space Rental Agreement and abide by its terms.
- (16) All residents parking an electric golf cart in Mutual 8 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.

c. Entries, Crawl Spaces and Attics

Except for decorative purposes, a resident's personal property may not be stored in manor 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 is 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.

Nominating committee:

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

Special committees:

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

DELINQUENCIES

Delinquent assessments:

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

All regular and special assessments that have not been processed and posted to accounts by 5:00 P.M. on the 15th day of the month [the next working day if the 15th falls on a Saturday, Sunday or holiday] are delinquent and will incur a \$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 ten percent (10%) per annum, and any other charges that have been levied each month, as applicable. This will be done until the account balance is paid in full.

It is the Mutual's policy not to waive late fees, interest or other charges. It is the 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 Civil Code §1367, 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 will provide
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 will be sent as required by law under foreclosure proceedings. 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 Civil Code §1366.3, if a member disputes an assessment, fee and/or cost, the member may protest and seek resolution via the Alternative Dispute Resolution (ADR) procedure in Civil Code §1354.

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

- The full amount of the assessment
- Any late charges
- Collection costs
- Attorney's fees

FINANCIAL ACTIVITIES

Authorization for expenditure of funds:

The Board's approval of an annual operating budget includes authorization for the Manager to commit Mutual Eight funds for budgeted activities, except that any contract or order totaling more than \$5000 must be submitted to the Board for approval. Manager will use competitive bidding when prudent business dictates and when awarding contracts or orders for amounts estimated to exceed \$5000.

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

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.

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 amount and all checks written by the Mutual to pay the Mutual's bills to third parties will be made from this "consolidation" account.

Replacement reserve fund:

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

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.

FINANCIAL ACTIVITIES (continued)

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

Financial report:

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

HEARINGS

Initiation of action

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

- The matter will be scheduled to be heard at a regular or special meeting of the Board, to be held not less than 20 or more than 40 days after the resolution calling for a hearing.
- At least ten (10) days prior to the hearing date, the Board will personally or by first class or registered or certified mail deliver to the member notice of the date, time and place of the hearing and a copy of the resolution, which will generally describe the violation (with citations).
- In the notice, the Board will request that the member notify them if they plan to bring legal counsel to the hearing.
- If a quorum of the directors fails to attend the hearing, the matter will be heard at the next succeeding regular or special board meeting at which a quorum attends, with the member receiving the same notice as given Board members.

The Hearing

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

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

HEARINGS (continued)

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

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

INSURANCE

Mutual Eight contracts with other 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 \$100,000.

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.

For the covered perils under the property insurance policy (fire, flood, wind, wind-driven rain), built-in fixtures, wall coverings, paint, installed carpets, etc., are insured under the Mutual's blanket property insurance policy and are considered part of the building structure, riot personal property, for insurance purposes. If damaged by a covered peril, they are covered at replacement value.

If a member's property is damaged by the failure of a building component that the Mutual maintains, such as a rain leak, the Mutual is liable to the member for the depreciated value of any personal property damaged because of the building component failure.

INVESTMENTS

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

All Mutual funds will be deposited in accounts insured by the Federal Deposit Insurance Corporation (FDIC). Excess operating or reserve funds may be invested in instruments backed by the full faith and obligation of the United States Government: U.S. Treasury Bills (investments of less than one year); or U.S. Treasury Notes (investments 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

- a. 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.
- b. 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 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.
- c. The Mutual will assume no responsibility for landscaping beyond the boundaries of the Mutual's property.
- d. Management's pest control contractor provides pest control service on the exterior of a manor at no 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 manors 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.
- e. 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.
- f. All 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.

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LAUNDRY ROOMS

Laundry rooms shall not be used between the hours of 10 p.m. and 6 a.m., 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.

LEASING

Occupancy other than by member:

Units are intended to be member-occupied. No more than five units in Mutual Eight may be leased or rented at any one time. A residence may be rented or leased for periods of up to one year. Requests to rent or lease must be approved by the Board of Directors.

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

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

Minimum age requirement:

Per Article II, Section 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.

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, Mutual Eight's policies and governing documents will be given to the lessee [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 [landscaping and the exterior of buildings], which is, generally, the responsibility of the Mutual.

Residents are responsible for the interior maintenance of their manors and any alterations, which must be approved 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 type 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).

Walnut Creek Mutual No. Eight

MEETINGS

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

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

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

The Board will only allow comments against the Board which are not slanderous and that are delivered in a non-belligerent manner, so that comments are not only constructive, but also are not threatening or offensive to any person in attendance.

MISCELLANEOUS REGULATIONS

- a. 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.
- b. Placing clothes racks or drying laundry on verandas, porches or decks is prohibited.
- c. 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.

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 By-Laws 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).

OWNER/MEMBER ACCESS TO BOARD MINUTES

Per California Civil Code §1363, 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 distribution cost. Member's written requests for copies of minutes should be sent to the Mutual's Board of Directors at 1001 Golden Rain Road, Walnut Creek, CA 94595.

PAINTING

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

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

Walnut Creek Mutual No. Eight

PARKING

Neither residents of Mutual 8 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.

- i. Guests, including visiting family members, staying beyond 72 hours can park on Rossmoor roadways.
- ii. A person leasing a manor from a Mutual 8 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

Unless prohibited by the Board, 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 pet animals is expressly subject to any controls or prohibitions that may be adopted by the Board, the Golden Rain Foundation or City of Walnut Creek.

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

When pets are outside the residence, they must be on a leash at all times and the resident is responsible for cleaning up if the pet 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 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 submit an alteration application (see page 3) and obtain approval of the Design Review Committee (DRC). 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.

SENIOR HOUSING RESIDENCY RESTRICTIONS AND GUEST POLICY

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 December 5, 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.

SENIOR HOUSING RESIDENCY RESTRICTIONS AND GUEST POLICY (Continued)

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:

SENIOR HOUSING RESIDENCY RESTRICTIONS AND GUEST POLICY (Continued)

- 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.

SENIOR HOUSING RESIDENCY RESTRICTIONS AND GUEST POLICY (Continued)

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.

SENIOR HOUSING RESIDENCY RESTRICTIONS AND GUEST POLICY (Continued)

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.

December 5, 2017

SMOKE DETECTORS.

All Mutual Eight manors 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 manor 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 manor, at seller's expense.

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

TEMPORARY RELOCATION OF A MEMBER

If a member must be temporarily relocated because of maintenance repairs to the manor for which the Mutual is responsible, the Mutual will arrange and pay for:

- Transportation for the member(s) to and from the temporary lodging selected, if the members are unable to transport themselves.
- Lodging at a local hostelry that has been pre-approved by the mutual. Members may choose lodging with kitchen facilities or opt for a room without kitchen facilities, in which case the Mutual will pay each member \$40 per diem for food.
- Rental of a carport space if the repairs to the building in which it is located prevent use of the assigned carport.

All other living expenses, including the monthly carrying charges, are the responsibility of the relocated member.

If the repairs and the consequent relocation of members are caused by a "sudden and accidental" occurrence, temporary loss of use costs may be covered by homeowners' insurance carrier, make this determination on a case-by-case basis.

WHEELCHAIR RAMPS

One wheelchair ramp in the curb at each entry shall be provided at Mutual's expense as need can be proven. A second wheelchair ramp at member's request would be provided, subject to Board approval, at 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 AM to 5:00 PM; operating noisy equipment or doing other work that disturbs neighbors outside these hours is not permitted.
2. Building utilities may not be interrupted without permission from a Mutual director.
3. Walkways and stairways must be kept clear.
4. All job debris must be removed daily and the common area swept clean; do not discard any waste in the Mutual's trash containers.
5. Park vehicles in marked parking areas.
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 manor.

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

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PREFACE

According to the Occupancy Agreement, 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 [landscaping and the exterior of buildings], which is, generally, the responsibility of the Mutual.

Residents are responsible for the interior maintenance of their manors and 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 B'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 manor 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.

HeatPumps

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 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.

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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, 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 should be used. If covering is not necessary, it should be omitted unless the member requests covering and is willing to pay the additional cost. .

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 manor or manors 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 manor members affected must each agree to pay one-third. If only one manor 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

Annual Manor Inspections

The Manager conducts an annual "manor lube" inspection in each unit to evaluate the condition of electrical/mechanical equipment that 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.

New resident manor safety inspection

Sixty to 90 days after a new occupant *moves* into a manor (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.

Major electrical circuit safety inspection

In calendar year 2004 and *every* five years thereafter, all residential buildings, all individual manors and all common area laundry rooms shall receive a major electrical circuit safety inspection.

Mutual Responsibility

Resident Responsibility

Carpentry	
<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 building <i>movement</i> • Remove bird nest/obstruction in fan vent and install <i>vent</i> screening • Repair/replace broken windows due to building <i>movement</i> • Exterior preventive maintenance of windows • Retaining 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 • Repair plaster cracks resulting from drying, shrinkage, etc. • If Mutual is retaining squeaky floors, resident pays for removal/reinstallation of carpet

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
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Garbage Disposals	
<ul style="list-style-type: none">• Instruction on proper operation• Replace inoperable disposal unit• Repair hose leak• Reset motor overload switch.• Replace burned out switch• Repair/replace control switch	<ul style="list-style-type: none">• 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 is the Mutual's responsibility
- Give instructions on proper operation
- Check for power
- Repair/replace standard wall air conditioner unit
- Repair/replace/adjust standard thermostat

- Repair/replace heat pumps installed by resident (alteration)

Mutual Responsibility	Resident Responsibility
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Landscaping in the Common Area	
<ul style="list-style-type: none"> Maintenance of turf areas, ground cover, shrubs, trees, irrigation system and surface and sub-surface drainage in the common area 	<ul style="list-style-type: none"> 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
Painting	
<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 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 enclosed by an alteration <p>Note:</p> <ul style="list-style-type: none"> • Mutual dictates color palette for exterior surfaces of buildings, including trim and doors

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

Mutual Responsibility	Resident Responsibility
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Plumbing	
<p>Repair leaks/clear stoppages in walls, ceilings or floors</p> <p>Repair leaks in manor except in sink, tub and shower faucets and their components</p> <p>Repair/replace sink waste lines, traps and angle stops except supply lines.</p> <p>Clear/repair/replace dishwasher discharge hose and air gap vent</p> <p>Repair/replace outside faucets (except alterations)</p> <p>Adjust building water pressure regulator</p> <p>Remove debris from water supply lines, valves and aerators</p> <p>Install relief valves ("beehives") in waste line</p>	<p>Repair leaks in sink, tub and shower faucets and their components</p> <p>Repair leaks/clear stoppages in manor except in walls, ceilings or floors</p> <p>Repair/replace/adjust toilet seats, tank, bowl, valves, etc.</p> <p>Repair/replace faucets in manor</p> <p>Repair/replace cracked, chipped, rusted or damaged sinks, basins, tubs or shower pans</p> <p>Repair/replace/clean bathtub and sink stoppers or components</p> <p>Clean/repair/replace faucet aerators</p> <p>Replace plumber's putty seal (wax ring)</p> <p>Repair/replace flexible shower or components</p> <p>Repair/replace kitchen sink soap dispenser or components</p> <p>Re-caulk/regROUT bathtub/sink/shower wall tiles or shower door frames or tracks</p> <p>Repair/replace water filters</p> <p>Repair/replace faucets, baskets, seals, supply lines, etc.</p>

Mutual Responsibility	Resident Responsibility
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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
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 <p data-bbox="792 926 1341 1073"> Note: All additional smoke detectors must be battery-operated and wall-mounted </p>

Mutual Responsibility	Resident Responsibility
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Standard Kitchen Appliances: Dishwashers, Refrigerators, Ranges, Ovens, Vents, Hoods, Cooktops, etc.	
<ul style="list-style-type: none"> • 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) 	<ul style="list-style-type: none"> • Repair/replace upgraded or .non-standard kitchen appliances • Repair/replace ice maker • Defrost refrigerator or freezer

Mutual Responsibility

Resident Responsibility

Telephone Wiring

Repair/replace telephone wiring from the user interface device (UID) into the telephone jack in the manor (maximum of two telephone lines per unit.)

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

Repair/replace telephone jack
·New installations

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

MUTUAL OPERATIONS DIVISION
CHARGES FOR MAINTENANCE AND REPAIR WORK

Labor Charge:

The hourly rate for each serviceperson (worker) on a job is calculated from the time they arrive at the 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.

Material Charges:

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

Responsibility for Payment:

Items designated as "Mutual Responsibility" in Appendix A will be paid by Mutual No. 8. 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.

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:

- Prepares a Private Garden Application
- Obtains approval of neighbors who might be affected
- Obtains approval of Mutual's Landscape Coordinator
- Submits application to MOD

b. MOD:

- Reviews application with Mutual's landscape contractor
- If not approved, application is returned to resident with suggestions for acceptable changes
- If approved, application is forwarded to Mutual Board

c. Mutual Board:

- Authorizes or denies the application

PROCEDURE FOR NOMINATION AND ELECTION OF DIRECTORS

Purpose

The Mutual's By-laws address the nomination and election of members to the Board of Directors. This policy describes the procedure to follow.

Procedure for nomination and election of directors

1. At the February/March Board meeting, the Board will appoint a two-member Nominating Committee.
2. By April 1st, the Nominating Committee will propose one nominee for each expected vacancy on the Board. Nominees must agree to serve if elected.
3. By April 1st, any petitions from Mutual Eight members for the purpose of nominating another candidate for an expected vacancy on the Board must be received by the Mutual's Secretary. To be valid, a petition must:
 - a. Nominate no more than one person
 - b. Stipulate the specific vacancy for which the candidate is nominated, if more than one vacancy exists
 - c. Include the signatures and home addresses of at least ten Mutual Eight members (per Article IV, Section 11 of the By-laws, only one signature per membership may be cast), and must include a signed statement by the nominee agreeing to his or her candidacy. The Secretary of the Board will immediately verify to the President the eligibility of any candidates thus nominated by a satisfactory petition, and should any petition be rejected will report to the President the reason for such rejection. All petitions submitted will be securely retained by the Secretary, who will add them as attachments to the Minutes of the upcoming Annual Meeting of the Membership.
3. From each candidate nominated by the Nominating Committee or by satisfactory petition, 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 or less than 20 days before the date of the Annual Meeting (as stated in Article IV, Section 4 of the Bylaws), and also included with the Notice of Annual Meeting published in the Rossmoor News.
4. "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 Article IV, Section 12 of the Bylaws. Only members of record on the date so fixed are eligible to vote at the Annual Meeting.

PROCEDURE FOR NOMINATION AND ELECTION OF DIRECTORS (continued):

5. At the Annual Meeting, after the candidates selected by the Nominating Committee have been placed in nomination and the Secretary has announced any nominations by petition, the President will invite nominations from the floor, which must be seconded. Members offering and seconding nominations from the floor must be eligible to *vote*, and shall not both represent a single manor.
6. There shall be two Inspectors of Election, who shall be members of Mutual Eight appointed by the President at least 10 days prior to the date of the Annual Meeting as required by Article JV, Section 7 of the Bylaws. The Inspectors of Election shall sign an Oath of Office, and shall perform the following duties, in which they may be assisted by a member of Management familiar with the list of legal manor owners:
 - a) After 4:30 p.m. of the last business day before the Annual Meeting, they shall open all Proxy envelopes that have been received by that time, inspect Proxies for eligibility, date and signature, mark invalid Proxies VOID, compile a list of valid Proxies by name and manor number (assuring that no manor has more than one valid Proxy), separate the valid from the void Proxies, and secure all Proxies and the list of valid Proxies for safe transportation to the Annual Meeting.
 - b) At the Annual Meeting, before the Call to Order, the Inspectors shall require all members attending the meeting to register by name and manor number, and shall issue Ballots to members ascertained to be eligible to *vote*. Each manor is entitled to only one Ballot. If a member taking a Ballot has also submitted a valid Proxy, the Proxy must be marked VOID and removed from the list of valid Proxies.

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."

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

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

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

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

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

Article 2 **Membership List.**

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

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

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

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

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

Article 3 **Minutes.**

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

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

Article 4 **Other Records.** Requests for any other records shall be submitted in writing to the Board Services Office and shall state with specificity which record or records are being requested, identifying all such records by type, name, and date or time period applicable to the record or records requested. Records, other than the current membership list and minutes of Board meetings, for the current fiscal year and for the two fiscal years immediately preceding the current fiscal year and which are properly requested by a Member will be made available by the Mutual. Records for periods other than the current fiscal year and the two immediately preceding fiscal years will be made available only in exceptional cases as determined by the Board in its sole discretion.

Minutes will be made available without regard to the year in which the meeting to which requested minutes relate was held.

Article 5 When Records Will Be Made Available.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Article 11 Conflicts. This Policy has been prepared in accordance with and in compliance with Civil Code section 1365.2 effective July 1, 2006. The Mutual's 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

These Voting and Election Rules were adopted by the board via unanimous written consent executed before July 1, 2006 and are intended to comply with the requirements of Civil Code section 1363.03(a). These Rules shall be effective as of July 1, 2006, shall supersede any other voting rules of the Mutual; and shall remain in effect until modified by the board.

Article 1 **MEDIA**

1.1 Access to Mutual Media – Candidates for the Board. The board may but is not required to make Mutual media (i.e., posting notices in the Mutual's laundry rooms and on trash enclosures, publication in the Mutual's newsletter or newspaper, or other notices mailed or delivered by the Mutual to the owners or the Manors) available to qualified candidates running for election to the board for purposes that are reasonably related to the election in which that candidate is running. If the board allows any candidate access to Mutual media, then all qualified candidates shall be allowed equal access to the same media.

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

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

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

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Article 2 **VOTING BY SECRET BALLOT**

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

Article 3 **INSPECTORS OF ELECTION**

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

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

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

Article 4 **CANDIDATES FOR THE BOARD**

4.1 Qualification of Candidates. Candidates for the board must be members in good standing and residents of the Walnut Creek Mutual No. Eight housing cooperative (Amended Bylaws Section 8.2) who have not been declared of unsound mind by a final order of court or been convicted of a felony (Corporations Code section 7221(a)).

4.2 Nominations. The board shall publish a notice recruiting candidates for the board and stating the deadline for receipt of nominations. Any member who satisfies the qualifications may place his or her name in nomination for the board by giving written notice to the board before the published deadline for receiving nominations.

Article 5 **MEMBER VOTING RIGHTS**

5.1 Qualification for Voting. Only members in good standing shall be allowed to vote (Amended Bylaws Section 8.4). A member shall be deemed to be in good standing unless, after notice to the member and an opportunity for hearing, the board has found the member to be not in good standing and has so notified the member in accordance with Civil Code section 1363(h).

As long as any co-owner of a Membership is not in good standing, no vote shall be permitted for the Membership.

5.2 Voting Power of Each Membership. Only one vote shall be cast for each Membership (Amended Bylaws Section 8.4). Once a ballot is received by the inspector of election, it may not be rescinded. Cumulative voting is not permitted in the election of directors (Amended Bylaws Sections 8.3 and 8.4).

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

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