

WALNUT CREEK MUTUAL FORTY-EIGHT

(Adopted 9/19/12; updated 3/16/2016)

POLICY 23

SOLAR PHOTOVOLTAIC ENERGY SYSTEMS – OWNER INITIATED ALTERATIONS

This policy pertains to solar energy systems within the confines of Mutual Forty-Eight. Solar energy systems (as defined in Section 1.0 below) may be installed within the common areas of Mutual Forty-Eight, only as permitted under this policy. Any such systems which are installed in violation of this policy shall be removed, and the surrounding areas and electrical connections shall be restored to their previous condition, at the owner's expense. This policy is intended to conform to Public Resource Code Section 25982 and Civil Code Sections 714 and 714.1, which shall control this policy in the event of conflict with the law.

Because the Project is a “condominium project,” as that term is defined in Civil Code section 4125, each Owner has fee simple title to his or her individual Unit as well as a fractional interest in the Building common Area lot where the Unit is located. Project common Area is owned by the Mutual. The Mutual is required to maintain, repair and replace Common Area roof systems. Replacement of the current DuroLast membrane on the rooftops is a Mutual responsibility to maintain the integrity of the system. The Mutual CC&R’s have been amended to define the rooftops of all Mutual buildings (residential, garages and carports) as Exclusive Use Common Area for the installation of photovoltaic panels. It is the intent of this Policy to recognize the respective ownership rights of the Owners and Mutual, and enable the Mutual to perform its exterior maintenance, repair and replacement obligations.

The Mutual Board of Directors shall establish a standing Solar Committee to assume the role of management of the solar systems regarding interaction with PG&E, monitoring the solar system generation, interaction with the solar provider for any problems which might arise and evaluate any subscriber concerns. The committee will oversee transfers of panels and systems among and between subscribers. Ideally, the committee will have a minimum of three members of the Mutual who will determine the leadership of the committee and provide for continuity over the long term.

1.0 –DEFINITIONS

- 1.1. – The term “subscriber” in this policy refers to the entity or entities that contract with the Solar Provider to install solar panels for generating electrical power to the electric grid for the benefit of the entity or entities. Subscribers of individual manors must be owners of record for the manor. Subscribers may also include the Mutual itself as a subscribing entity if the Mutual contracts with the Solar Provider to install appropriate solar panels to provide energy credits to help offset the Mutual’s energy requirements for lighting of landscaping, outside residential buildings, carports and some unattached garages.

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- 1.2.- As used in this Policy, a "Solar Energy System" means: any photovoltaic solar collector together with ancillary equipment such mounting systems and wiring systems used to integrate the solar modules into the structural and electrical systems of the home. The wiring systems include disconnects for the dc and ac sides of the inverter, ground-fault protection, and overcurrent protection for the solar modules whose primary purpose is to provide for the collection, storage and distribution of solar energy.
- 1.3.- The terms "Board," "Common Area," "Exclusive Use Common Area," and "Unit" have the same definition as in the CC&R's of Mutual Forty-Eight.
- 1.4. - After due diligence was performed, The Board (acting on the recommendation of the Mutual's Solar Committee) determined with due diligence and for a variety of reasons, that it is necessary to limit all solar installations be performed by one provider. Following an extensive vetting process, the Board selected the following solar company:

Solar Technologies
14 Beta Court
San Ramon, CA 94583

All references to solar providers in this policy will henceforth mean Solar Technologies. The provider will utilize only the components agreed upon by the Board for all installations to maintain uniformity of all installations within the Mutual.

2.0 - APPROVAL PROCESS

- 2.1 - No Solar Energy System may be installed or maintained within the Common Area or Exclusive Use Common Area of Mutual Forty-Eight without the written consent of the Mutual Board. The Board shall utilize the same review and approval process as for other proposed physical changes to Units or Common Area. Alteration permits will be required as delineated in Mutual Policy 01.
- 2.2 - Mutual Solar Committee shall review the application and offer recommendations, if any, for reasonable restrictions on the installation within limits prescribed in Civil Code Section 714. However, no application may be denied by the Board.
- 2.3 - The applicant shall provide satisfactory evidence of compliance with requirements of the City of Walnut Creek by obtaining applicable permits.
- 2.4 - As a condition to granting approval for installation of any Solar Energy System within the Mutual confines, the Board will require an applicant to execute a separate agreement acknowledging that he or she has read and understood this Policy and representing that the proposed Solar Energy System, its installation and maintenance shall comply fully with this Policy, and further agreeing to indemnify and hold harmless the Mutual, Golden Rain Foundation and their officers, directors, employees and members from and against all claims, allegations, litigation, arbitration or

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judgments resulting in whole or in part from the installation or maintenance of the Solar Energy System.

- 2.4.1 Replacement of solar installations due to a building fire is included in the Golden Rain Foundation's blanket insurance policy.

3.0 - GENERAL INSTALLATION REQUIREMENTS

- 3.1 - A Solar Energy System's visible ancillary components such as conduits and supports shall be painted to match the exterior of adjacent structures, unless such painting would void a manufacturer's warranty, result in an increase of more than one thousand dollars (\$1,000) for a photovoltaic system or reduce the efficiency of the system by more than ten percent (10%).
- 3.2 - All installations of Solar Energy Systems shall be completed so as not to materially harm or damage the Mutual's common elements, or any other individual Unit or such units Exclusive Use Common Area; void any warranties held by the Mutual or other Owners and/or impair the integrity of a building or structure.
- 3.3 - All portions of a Solar Energy System shall be secured in a manner which does not jeopardize the safety or soundness of any structure and/or the safety of any person within the Mutual.
- 3.4 - There shall be no penetrations into building structures, including but not limited to walls and roofs unless it is absolutely necessary for the installation and operation of the system and/or to avoid an unreasonable increase in the cost of the installation. (more than \$1,000 for photovoltaic systems) or an unreasonable decrease in the Solar Energy System's efficiency (more than ten percent (10%) as originally specified and proposed for photovoltaic systems). Any penetrations for wiring or piping for a Solar Energy System shall be properly sealed and waterproofed in accordance with industry standards and building codes in order to prevent moisture penetration and resulting structural damage. Any penetrations through the existing rooftop DuroLast membranes shall be the responsibility of the Solar company installers and the roofing company who installed the DuroLast membrane in order to protect the existing warranties. The Solar Company and Roofing company installing the Solar Device shall be responsible for any damage to building elements, unit interiors or personal property caused by such penetrations, even if the Mutual has primary maintenance responsibility for such elements under the Mutual's governing documents.
- 3.5 - The installation of a Solar Energy System on Exclusive Use Common Area of rooftops may present a challenge regarding adequate space availability for all residents. The Board will expend every effort to provide adequate energy generating capacity for all residents within the constraints presented by the availability of roof space.
- 3.6 - Incorporating the January 28, 2016 decisions from the California Public Utilities Commission into this policy will allow energy generated from rooftop solar

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installations to be credited to individual solar subscribers through the use of “virtual net energy meters (VNEM)” regardless of which building they live in. Because of the logistic advantage and to reduce installation costs, the Solar Committee has designated buildings 3258, 3266, and 3306 rooftops to be utilized to the maximum extent for solar panel installation. If future demand exceeds the capacity of these three buildings, 3250 is next in line. It is not anticipated that there will ever be a need to exceed the capacity of these four buildings.

The energy credit generated from these installations will be distributed to each subscriber according to the number of panels the subscriber contracted for at the time of installation. This will be done by PG&E through the VNEM system and the credit will appear on the subscriber’s monthly statement.

4.0 - INSTALLATION BY COMMERCIAL INSTALLERS

- 4.1 - Prior to installation, the installer shall have insurance coverage that meets the following minimums: (i) Worker's Compensation with minimum coverage required by California law; and (ii) Contractor's General Liability (including completed operations) with policy limits of at least \$500,000.00.
- 4.2 - The installer must provide copies of certificates of insurance for the above policies which name the Owner and Mutual Forty-Eight as additional insureds.

5.0 - SAFETY

- 5.1 - Solar Energy Systems shall be installed and secured in compliance with manufacturer's instructions and all city, state and federal ordinances, regulations and laws.
- 5.2 - A Solar Energy System for producing electricity shall meet all applicable safety and performance standards established by the National Electrical Code, the Institute of Electrical and Electronic Engineers and accredited testing laboratories such as Underwriters Laboratories and, where applicable, rules of the Public Utilities Commission regarding safety and reliability.
- 5.3 - Solar Energy Systems shall not obstruct access to or from any Unit, walkway, or ingress or egress into any area of the Project in order to ensure the safety of individuals and allow safe access to the Mutual's physical plant.
- 5.4- In approving the installation of any Solar Energy System, the Board is entitled to rely upon the representation of the designated contractor that the system fully complies with the safety criteria set forth in this Policy. Should the Board later determine that the equipment is not in conformance with such criteria, the Board may require the subscribers, on a pro rata basis, to remove the Solar Energy System or modify it so that it is in compliance.

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6.0 - MAINTENANCE

6.1 - Subscribers of Solar Energy Systems will be responsible on a pro rata basis for all associated costs, including but not limited to: replacement, repair, maintenance, moving and/or removal of the Solar Energy System or any of its components; repair and/or replacement of any property damaged by the installation, maintenance and/or use of the Solar Energy System; and/or restoration of Solar Energy System sites to their original condition after removal.

6.2 - Subscribers and Solar Provider and Solar Equipment Manufacturer Warranties shall be responsible for correction of any safety hazards and Solar Energy System repair and/or replacement. Subscribers and Solar provider are responsible for their painting or replacement of the visible ancillary components of the Solar Energy System, such as conduits and supports, if deterioration occurs.

6.3 - Subscribers shall be responsible on a pro rata basis for any increased costs incurred by the Mutual in maintaining or repairing the Common Area or those portions of a Unit or Exclusive Use Common Area which the Association is responsible under the Governing Documents for maintaining or repairing which are caused by the presence of a Solar Energy System on the Common Area.

6.4 - If it is necessary to temporarily remove a Solar Energy System or some of its components so that the Mutual may perform required maintenance or repairs to the adjacent Common Area or those portions of a Unit which the Association is responsible under the Governing Documents for maintaining or repairing, the Subscribers of the Solar Energy Systems shall be responsible, on a pro rata basis, for removing the Solar Energy System or affected component and reinstalling it after the maintenance or repair is completed. If the Subscribers fail to remove a Solar Energy System or a system component when requested to do so by the Mutual to permit necessary maintenance or repairs, the Mutual may remove the system or component and charge the cost of such removal to the responsible Subscribers. So long as reasonable care is used in removing and reinstalling the Solar Energy System or any component thereof, the Mutual shall not be responsible for any damage caused to the system or component by such removal or reinstallation.

6.5. – The Board of Directors must take into account the effect on Solar Energy Systems that may result from shade created by trees or shrubs within the boundaries of the Mutual. The Mutual will be guided by the principal of “first in time is first in right.” If a tree or shrub was planted before the Solar Energy System was installed, the tree or shrub may grow without regard to its effect on the system. The Mutual shall not be required to prune, or allow pruning, of trees and/or shrubs which were planted before the Solar Energy System was installed. However, trees or shrubs planted after installation of the Solar Energy System may not be allowed to grow so as to cast a shadow greater than ten percent (10%) of the collector absorption area upon that collector surface at any one time between the hours of 10:00 a.m. and 2:00 p.m. local standard time (Public Resources Code Section 25982). Pruning needs shall be dictated and determined by the Mutual’s landscape or tree experts.

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7.0 - Resale or Transfer of the Owner's Unit

7.1 - Upon resale or transfer of any Subscriber's interest in his or her condominium unit which has a permitted Solar Energy System, the buyer or Transferee (as the case may be) shall assume in writing all of the Owner's duties and responsibilities as outlined in this Mutual Policy 23. The buyer or transferee's written assumption of duties and responsibilities shall be executed by all of the parties before escrow can close and the transfer of the ownership can be legally completed.

8.0 - Removal of Solar Energy System

8.1 - If a buyer or a transferee does not agree in writing to assume responsibility for the unit Subscriber's Solar Energy System, the Subscriber has two options:

He/She may:

(1.) sell or otherwise transfer his installation to another Mutual 48 owner or owners or

(2.) provide for the removal of the Solar Energy installation and restore the area where the Solar System had been located. In particular, any penetration patches must be completely sealed with paintable sealant. The sale or removal must be approved by Mutual Forty-Eight and all costs relating to the sale or removal of the Solar Installation and restoration of the common area shall be the sole responsibility of the Subscriber.

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