Policy 102.1.4

Subject: Membership Transfer Fee

Purpose: To Establish a Membership Transfer Fee

A. Rossmoor Walnut Creek (the **Foundation**) will impose a Membership Fee or Membership Transfer Fee (the "**Fee**") on all individuals/ households upon becoming a **Member** of the Foundation as defined in Article II, Section 1 of the Bylaws of Rossmoor Walnut Creek as then currently constituted (the **Bylaws**) as an obligation of the purchaser(s)/ transferee(s).[1]

B. Payment of the Fee is a condition of Membership in the Foundation and is required in order to obtain access to Foundation amenities.

C. The Fee will be a fixed amount, as determined, from time to time, by the Board of Directors of the Foundation and shall be applicable to all transactions involving the sale or transfer of an interest in a Mutual Manor; excluding, however, those transfers subject to the following exemptions**:**

1. **Current Member (CMR)** No Fee will be collected where all of the following are true:

a. at least one of the purchasers is, or has been, a Member at any time during the 120 days before close of escrow on the purchase of the Manor;

b. that Member previously paid a Fee; and

c. that Member will occupy the purchased Manor as his or her full-time residence.

If more than one purchaser is a current or recent Member who previously paid a Fee, the exemption applies if both such~~at least one such~~ Member will occupy the purchased Manor as his or her full-time residence.

This exemption does **not** apply if the purchased Manor will be occupied by a Designated Occupant, co-owner, or other person who is not himself or herself a current or recent Member who previously paid a Fee. That includes a purchase in which current Members remain in another Manor and designate someone else to occupy the purchased Manor.

If the purchaser notifies the Foundation before the 120-day period expires that more time is needed to close, the purchaser may have up to 90 additional days.

~~Where at least one of the purchasers is or has been a Member at any time during the preceding one hundred twenty (120) calendar days prior to the close of escrow on the purchase of a Manor, no Fee will be collected, provided that such Member previously paid a Fee. (Where purchaser(s) notifies the Foundation prior to the expiration of the one~~

[1] Pursuant to Ca. Civ. Code §4580

~~hundred twenty (120) day period above that additional time is needed to close escrow, purchaser shall be permitted relief for up to an additional ninety (90) days)~~; or

2. **Joining by Non-Member (JNM)** Where title is joined between a Rossmoor Walnut Creek Member occupying the property who previously paid a Fee and a non-member so long as the Member who previously paid a Fee remains a Member as set forth in the Bylaws; or

3. **Inheritance (INH)** Where title is transferred to a **spouse or registered domestic partner**, through inheritance; provided the deceased Member previously paid a Fee; or

4. **Inheritance Held for Resale (INR)** Where title is transferred through inheritance to any person other than a spouse or registered domestic partner, payment of the Fee shall be required. However, a refund of such Fee, or the portion thereof actually received by the Foundation, shall be provided upon the timely request of such inheriting person, subject to the following conditions:

   a. the inheriting person can reasonably demonstrate that s/he has not occupied the property or used Foundation amenities subsequent to taking title to the property; and

   b. within one (1) year of the latter to occur of either the effective date of title transfer to the inheriting person, or the close of probate of the decedent's estate, the property is re-conveyed by the inheriting person to a third party who pays or has paid a Fee; and

   c. the request for refund is received within thirty (30) days of reconveyance to such third party; or

5. **Gift (GFT)** Where title is transferred to a non-member by gift, provided that the donor never occupied the property and previously paid a Fee in connection with the acquisition of the subject property; or

6. **Trust (TST)** Where title is transferred by a Member to a trust whose principal beneficiary is such Member so long as such Member occupies the property and remains a principal beneficiary of the trust, or

7. **Non-Natural Persons (NNP)** Where title is transferred to an entity that is not a natural person and/or who cannot become a Member of the Foundation, no Fee is required unless and until the property is occupied by a designated occupant.

D. Upon the occurrence of any of the continuing conditions set forth in Section C, above, ceasing/failing to be met, a Fee shall become immediately due and payable on the same terms as would apply to an initial purchase/transfer without exemption from the

requirement to pay the Fee.

E. The exemptions set forth in Section C above are cumulative, such that a purchaser/transferee may claim exemption under any one or multiple exemptions for a given transaction. However, each exemption must be fully complied with in order to apply.

F. An administrative fee may be charged for transfers which are exempt from payment of a Membership Fee / Membership Transfer Fee, to be established by the Board.

G. It is the responsibility of the purchaser/transferee to assert exemption under Section C above. Persons claiming coverage by one or more of the foregoing exemptions are responsible for providing sufficient reasonable proof of compliance with each requirement. The Foundation will allow a reasonable time to claim and prove applicability of an exemption. However, the Foundation shall not be liable for failure to timely claim and prove exemption for a transfer or purchase transaction. Refunds will not be provided after 1 year and any refund provided may have deducted, any applicable administrative fees.

H. Membership benefits apply to occupants of a single manor. Where more than one person benefits from a single Membership and the parties subsequently separate into more than one manor, only one manor may retain the existing Membership. The parties may designate which manor will retain the existing Membership. Those persons not retaining rights to the original Membership will be subject to the requirements for payment of a new Fee as applicable to non-Members without regard for their prior Membership status. A person who occupies the second manor and independently qualifies under Section C.1 does not owe a new Fee solely because the household now occupies two ~~M~~manors. A person who occupies the second manor and does not independently qualify under Section C.1 is subject to the Fee.

I. Capitalized terms not specifically defined herein shall be as set forth in the Bylaws of the Foundation.

Authority: Policy

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| 9/21/78 | 3/28/85 Rev. | 7/27/95 Rev. | 6/25/15 Rev. |
| 9/28/78 Rev. | 1/26/88 Rev. | 8/29/96 Rev. | 8/26/21 Rev. |
| 4/26/79 Rev. | 2/28/91 Rev | 6/29/00 Rev. | 5/13/25 Housekeeping |
| 10/25/79 Rev. | 7/30/92 Rev. | 10/26/00 Rev. | |
| 12/14/81 Rev | 12/14/94 Rev. | 10/27/05 Rev. | |
| 10/27/83 Rev. | 12/28/94 Rev. | 8/1/08 Rev. | |
| 1/31/85 Rev. | 6/29/95 Rev. | 12/06/12 Rev. | |