

CAGNEY RANCH ESTATES HOMEOWNERS ASSOCIATION

WELCOME PACKET

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WELCOME to Cagney Ranch Estates!



On behalf of the Board of Directors and Ross Morgan & Company, I would like to welcome you to the Cagney Ranch Estates Community! We all look forward to seeing you at HOA meetings and events, and around the neighborhood.

You have chosen to live in an exclusive upscale community of 45 homes with friendly neighbors, spacious yards (a rarity in Los Angeles), beautiful natural views, and an isolated location far away from traffic, congestion, and noise. Sure, we sometimes experience crazy winds, see coyotes on the street, and discover rabbits in our front yards, but that just gives our neighborhood its character. 😊

Our community is governed by Covenants, Conditions, and Restrictions (CC&Rs), Bylaws, and Rules & Regulations (Rules). Their main purpose is to guide the Board in maintaining the community's appearance and increasing property values. If you did not receive a copy of these governing documents at escrow, please contact the property management company. Note that the information in this welcome packet does not supersede those governing documents.

The CC&Rs, Bylaws, and Rules set forth the rights, duties, responsibilities, and obligations of each Owner and Tenant. It is the responsibility of the Owner and the Board to use whatever sources are available to it to preserve and protect the physical assets of the Community, including adopting procedures that address these maintenance concerns and obligations. The governing documents also include important rules such as noise restrictions, architectural improvement guidelines, dog barking constraints, parking limitations, and trash day regulations.

Please read this Information Handbook carefully, and be sure your family, guests, and/or tenants understand these rules. But most importantly, please enjoy your new home and meet as many of your neighbors as possible!

Cordially,

Cagney Ranch Estates HOA

DEFINITIONS

ARCHITECTURAL COMMITTEE

The term "Architectural Committee" means the Committee created, pursuant to Article 6 of the Declaration.

BOARD

The term "Board" means the Board of Directors of the Association.

BYLAWS

The term "Bylaws" shall mean the Bylaws of the Association as adopted by the Board, as such Bylaws may be amended from time to time.

CITY

The term "City" shall mean the City of Los Angeles, as is located within the County of Los Angeles, State of California.

COMMON AREA

The term "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners. Such ownership may be of fee title or of easements.

COMMUNITY

The term "Community" shall mean all of the Properties, including both the Lots and the Common Area described herein and Lots and/or Common Area annexed to the Properties.

DECLARANT

The term "Declarant" shall mean and refer to K. Hovnanian, its successors and assigns, if such successors or assigns should acquire more than four undeveloped lots from the declarant for the purpose of development.

DECLARATION or CC&Rs

The terms "Declaration" and "CC&Rs" shall both mean the *Declaration of Conditions, Covenants, Restrictions, Reservations, and Easements of Cagney Ranch Estates* together with any amendments, supplements or modifications.

INFORMATION HANDBOOK

The document of which generalizes for you, most of the Association Rules and Regulations. This information comes from several different sources but is mostly extracted from the Governing Documents.

LOT

The term "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties except for the Common Area.

MEMBER

The term "Member" shall mean and refer to any person or entity which holds membership in the Association.

OWNER

The term "Owner" means the record Owner, whether one or more persons or entities, including Declarant, of any Residential Lot, excluding those having such interest merely as security for the performance of an obligation. A contract purchaser under a recorded installment land sales contract shall be included as an Owner but those merely having an interest as security for the performance of an obligation shall not be Owners.

PROPERTIES

The term "Properties" shall mean and refer to that certain real property as described in the Declaration, and such additions thereto as may hereafter be brought within the jurisdiction of the Association pursuant to the annexation provisions of the Declaration. The Properties constitute a Planned Development defined by California Code § 1351(k).

PROPERTY MANAGER

The Property Manager, acts as the agent of the Board of Directors to help carry on the day to day activities of the Association, to help enforce the Governing Documents, and to maintain the Community. *[Our property management company is currently Ross Morgan & Company (RM&C), and our property manager is Tony Barbarotto. You can reach him at (818) 907-6622 x224 or at tbarbarotto@rossmorganco.com]*

OTHER DEFINITIONS

Please refer to the Declaration.

THE ASSOCIATION



The purpose of your Association is to operate and maintain the property and assets of the Cagney Ranch Estates Homeowners Association for the mutual benefit of the Owners. Your cooperation is essential in order to accomplish these purposes. Common sense and consideration for your neighbors are the keys to its success.

The Association will generally do what is necessary to protect, preserve and enhance the Community for which it operates. This includes making Rules to respond to changing needs, interpreting, and enforcing the Governing Documents, and collecting assessments. It also includes the activities normally associated with most businesses, including a budget to pay for services such as landscaping, maintenance, management, legal advice, accounting and tax preparation, etc.

Consultants may be employed to guide and assist the Board of Directors in fulfilling their responsibilities and in doing an audit each year. Consultants may be employed in the following areas:

- Landscape.....Landscape Architect or Consultant
- FinanceCPA
- InsuranceQualified Agent
- Building MaintenanceArchitect or Consultant
- Legal.....Attorney

A Board of Directors governs the Association, which meets regularly to make decisions pertaining to Common Area matters. Meetings of the Board are held at least quarterly, or more frequently as may be necessary and as determined by the Board.

Most of the activities of the Association are within the discretion of the Board of Directors. Very few decisions require a vote of the Owners. Once elected, the Board has

wide authority to make decisions on behalf of all Owners in the Association. Therefore, it is very important for all Owners to attend annual elections and vote. It is equally important for all Owners to provide input to the individual and volunteer Members serving on the Board.

Owners will be notified of the date, time and location of all meetings of the Association. Owners are encouraged to attend. With the exception of Executive Sessions, Regular and Special meetings of the Board are open for observation to all Members.

Notices of the date, time and location of **Annual Meetings of Members** will be mailed to all Owners of record before the meeting. In order to establish a quorum so that business can be conducted, it is imperative that Owners either attend in person or submit their proxy.

The Association cannot become involved in issues that do not affect the Community in general. Unlike a landlord, for example, the Association has little authority to resolve disputes between individual Owners, to act in a representative capacity for individual Owners, or to do anything that does not relate to the Community as a whole. For instance, if an Owner is making noise that disturbs another Owner, those two Owners must resolve the issue between themselves. Unless the noise is creating a nuisance in the Community as a whole, or violating the Governing Documents, the Association may not intervene.

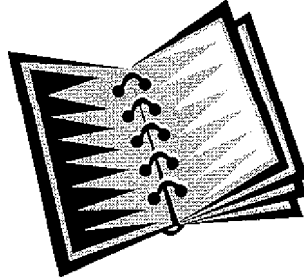
Each Owner is a member of the Cagney Ranch Estates Homeowners Association. Owner participation is both necessary and encouraged. Residential responsibility, cooperation and action have many rewards. One is that the Community continues to be a showcase long after all the homes are sold because the quality of the Community is maintained and enhanced. We trust that your knowledge of this information will enhance your daily enjoyment of your new residence at C.R.E.

To report problems related to the Common Area, such as landscape, street problems, etc. please contact:

Ross Morgan & Company, Inc.
15315 Magnolia Blvd, Ste 212
Sherman Oaks, CA 91403-1176
(818) 907-6622

In the event of an **EMERGENCY**, **DIAL 9-1-1** for immediate assistance. If the emergency is one that involves the Common Area, please report the incident as soon as possible, to the 24-hour number as provided for Ross Morgan & Co, Inc.

RULES & REGULATIONS AND ARCHITECTURAL GUIDELINES



INTRODUCTION

The Rules and Regulations and Architectural Guidelines as contained herein, are typical Rules the Association may choose to adopt. This is a supplement to the Declaration and Bylaws of the Association. In the event of any conflict between these Rules and Regulations and Architectural Guidelines and the aforementioned documents, the provisions of the Declaration shall prevail.

The Rules and Regulations are intended as a guide to the conduct and activities of all Members, Tenants, Residents and their Guests. Each Owner or Resident living within the community and using the facilities is entitled to maximum pleasure without annoyance or interference from others.

ENFORCEMENT OF THE DECLARATION

OTHER DEFINITIONS

All Owners, Residents and Guests are required to abide by all established rules. Anyone refusing to abide by these rules may face corrective action by the Board of Directors. The Property Management Company, acting for the Association, has been instructed by the Board of Directors to require the compliance of persons in the Cagney Ranch Esatates HOA with all provisions of the Rules and Regulations, Architectural Guidelines, Bylaws and the Declaration. If there is a violation, the Property Management Company has been instructed to obtain the names and addresses of violators and report this information to the Board of Directors.

It is the right of each Resident to report violations to the Property Management Company, Board of Directors or the appropriate Committees. Refer to the Association's Violation Complaint Form.

CAGNEY RANCH ESTATES HOA GENERAL RULES AND REGULATIONS

MEMBERSHIP INFORMATION

The Cagney Ranch Estates Homeowners Association is a California non-profit corporation consisting of those Owners of Separate Interests within the ultimate boundaries of Cagney Ranch Estates.

The purpose of the Cagney Ranch Estates Homeowners Association is to ensure that the Common Area will be maintained in an attractive manner. Your automatic membership in the Association provides a membership base to share the future costs of maintaining the community.

Although these Rules & Regulations support the CC&Rs, they do not cover the entirety of the document. Please be sure to read the CC&Rs carefully. If there is any conflict between the Rules & Regulations and CC&Rs, the CC&Rs will prevail in all cases.

CAGNEY RANCH ESTATES HOA GENERAL RULES AND REGULATIONS

1. No Association Member/Tenant shall make any alteration to the Association's owned or maintained Property except with the written consent of the Board.
2. No noxious, offensive or illegal activity shall be engaged in within the confines of the Association Property.
3. No Residential Lot shall be used in such a manner as to obstruct or interfere with the enjoyment of occupants of other Residential Lots.
4. Storage areas, outdoor clotheslines, and communication antennae/structures are prohibited unless obscured from view by a fence or appropriate screen approved by the Architectural Committee. No portion of the Property shall be used for the deposit or storage of building materials, except in connection with approved construction.
5. No structure of temporary character, including: recreational vehicle, tent, shack, house trailer, garage, barn, shed, or other outbuilding shall be located and used, at any time, as a temporary or permanent residence within association boundaries.
6. All rubbish and trash storage facilities, including garbage cans, shall be kept screened and concealed from view. All rubbish, trash, garbage, green waste and recyclables shall be placed in designated containers. If possible, containers should be placed for collection after 5:00 p.m. the evening prior to day of collection and should be removed by dusk the day of collection. However, if the community is experiencing high winds, trash cans may not be placed outside until the garbage trucks enter the community, and then must be returned to their stored location immediately after the trash has been taken.
7. A tenant shall be defined as anyone in possession of an Owner's residence in exchange for any sort of consideration, or at the sufferance of the Owners.
8. The Residential Lots and Improvements thereupon shall be occupied and used by the respective Owner only as a private dwelling for the Owner, the Owner's family, tenants, and social guests and for no other purpose.

9. Professional or administrative occupations or similar home office use may be conducted within a Residential Lot so long as no external evidence is observable, and if:
 - (a) such occupations are merely incidental to the use of the Residential Lot as a residence,
 - (b) the business invitees do not regularly visit or conduct business on the property, and
 - (c) the occupation is conducted in conformance with all applicable governmental ordinances.

10. No Residential Lot in the project may be used as the site for a public boarding house, home for the elderly, sanitarium, hospital, asylum, rehabilitation facility, or institution of any kind.

CAGNEY RANCH ESTATES HOA TENANT RULES AND REGULATIONS

1. The Owner shall have the responsibility to acquaint their tenants and guests with the CC&Rs, Bylaws, Rules & Regulations, and Architectural Guidelines to ensure their compliance with same.

CAGNEY RANCH ESTATES HOA PARKING RULES

1. All streets within the Community Association are subject to applicable laws, ordinances, and regulations of all governmental agencies having jurisdiction.
2. Inoperable vehicles must be garaged.
3. There shall be no painting, maintenance, or repair work done on any vehicle outside of a garage. Automobile overhaul or repair work other than of an emergency nature is not permitted in the community.
4. None of the following vehicles shall be parked, stored, or kept on any street within the Community for longer than eight hours in any 24-hour period: any commercial type vehicle; any recreational vehicle over 1,500 pounds; any bus, trailer, trailer coach, camp trailer, boat, aircraft, or mobile home; any vehicle with a width in excess of 84 inches; or any vehicle or equipment, mobile or otherwise, deemed to be a nuisance. Such prohibited vehicles shall not be allowed in any driveway or other exposed parking areas, nor any street within the Community, except for the purpose of loading, unloading, making deliveries, or emergency repairs.
5. Vehicles shall be parked in an Owner's garage to the extent of the maximum designated capacity of such garage. Owners' garages shall be used only for parking, storage, living, or recreation; however, no garage shall be used in any way that prevents the parking of vehicles inside of it.
6. There shall be no parking in any Owner's driveway if there is sufficient room in such Owner's garage, or if to do so obstructs sidewalks or free traffic flow. In no event may an Owner park a vehicle on the opposite side of the street from such Owner's house, or in front of another Owner's house.
7. Vehicles with an unreasonably loud exhaust note and/or engine are not permitted in the Cagney Ranch Estates Community. No driver may play a vehicle's audio system at unacceptably loud volumes or sound its horn unnecessarily (i.e., other than to prevent an accident or injury). No vehicle may produce excessive noise, noxious exhaust smells, or other unacceptable emanations that disturb the peace, quiet enjoyment, and/or health of the community.

CAGNEY RANCH ESTATES HOA PET RULES

1. No animals or birds other than a reasonable number of house pets of a kind approved by the Board in its discretion shall be maintained in any Residential Lot, and then only if they are kept solely as household pets and not for commercial purposes.
2. A “reasonable number” shall ordinarily include no more than two (2) dogs and cats per household; provided, however, a reasonable number does not constitute a nuisance to other Owners.
3. Animals belonging to Owners, occupants, or their licensees, tenants, or invitees within the homeowners’ property must be either kept within an enclosure, an enclosed yard or, if not within the confines of the property, on a leash being held by an individual capable of controlling the animal.
4. Each owner shall be liable to each and all other Owners, their families, guests, tenants, and invitees, for any unreasonable noise or damage to a person or property. This includes Association Property, caused by any animals brought or kept upon the property by the owner or by members of his or her family, his or her tenants, or his or her guests.
5. It shall be the duty and responsibility of each Owner to immediately clean up any waste from his or her animals.
6. Dog barking or other loud animal noise shall be deemed a nuisance, and such disturbances shall be aggressively prosecuted. Keep your dogs inside!

CAGNEY RANCH ESTATES HOA SIGN RULES

1. No commercial sign, poster, billboard, advertising device, or other display of any kind shall be displayed by an Owner to the public view on a Residential Lot or on the Association Property, other than (i) any small signs or window stickers designating that the Residential Lot is monitored by an alarm company; (ii) one sign of customary and reasonable dimensions, approved by the Architectural Committee as to form and location, displaying the contact information of any contractor or company currently installing permanent landscaping for the Owner on his Residential Lot; and (iii) one sign of customary and reasonable dimensions, approved by the Architectural Committee as to form and location, advertising a particular Residential Lot for sale or rent. A sign otherwise permitted pursuant to this Section may also provide directions to the respective Residential Lot or give the Owner's or agent's name, address, or telephone number. Any signs placed on Association Property or in any location aside from the Owner's Residential Lot pursuant to this Section may not be displayed for more than two (2) days per week and may not be displayed for more than eight (8) hours on any given day.
2. All signs permitted shall conform to all applicable governmental regulations.

CAGNEY RANCH ESTATES HOA RULES AND VIOLATION REPORT

Residents of the Association pursuing violations (i.e., barking dog, noise nuisance, garage storage, etc.) must complete and submit this form to the Board. Please be as specific as possible to allow the Board to expedite the process in a timely manner. All alleged violations will be evaluated to ensure they are considered an infraction as defined by the Association's legal documents.

REPORT FILED BY:

Name: _____

Address: _____

Phone: _____ **Date:** _____

Signature: _____

VIOLATION INFORMATION:

Name of Alleged Violator: _____

Address of Alleged Violator: _____

Phone # of Alleged Violator: _____

Description of Alleged Violation: _____

Dates and times alleged violation occurred? _____

How often does alleged violation occur? _____

CAGNEY RANCH ESTATES HOA PROCEDURE FOR HEARING

Procedure:

1. Introductions and hearing session procedures.
2. Statement of alleged violation by acting chairperson.
3. Invitee's statement and presentation of oral or written evidence.
4. Review of CC&R requirements, Bylaws, and Rules & Regulations of the Association.
5. Discussion and questioning of the invitee by the Board.
6. Questions and final statement by invitee.
7. Homeowner is thanked for coming and told that they will be notified of the Board's decision within ten (10) business days.
8. Board ruling without Homeowner present.
9. Enforcement procedures as applicable.
10. Adjournment.

DOCUMENTATION

Name of Invitee: _____ Phone Number: _____

Address: _____

Nature of Alleged Violation: _____

Board Ruling: _____

Additional Comments: _____

CAGNEY RANCH ESTATES HOA ARCHITECTURAL GUIDELINES

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CAGNEY RANCH ESTATES HOA ARCHITECTURAL GUIDELINES

I. PURPOSE

As set forth in the Declaration of Restrictions, the Architectural Committee (hereinafter referred to as the “Committee”) is vested with the power to review and approve all Improvements to all Residential Lots in the Cagney Ranch Estates Homeowners Association. *All* Improvements include, without limitation, additions, modifications, and alterations to Residential Lots, signs, fences, walls, landscaping, screens, patios, and patio covers, window treatments, air conditioning units, and attic fans, and any other modifications to the exterior of a Residence or other Improvements or alterations to the exterior of your home and its property.

The Committee does not seek to restrict individual creativity or personal preference, but rather help assure continuity in design that will help preserve and improve the appearance of the Community and enhance the property values of all Owners in the Community.

Members of the Committee shall receive no compensation for services rendered other than reimbursement by the Association for any expenses that might be incurred in performing their duties. The Committee has the right to retain architects or other construction specialists as may be necessary to perform its duties.

Prior to the commencement of any addition, alteration or construction work of any type on any Residential Lot, you must first make application to the Committee for approval of such work. Failure to obtain approval of the Committee may constitute a violation of the Declaration of the Restrictions affecting your home, and may require modification or removal of unauthorized works of Improvement at your expense.

A building or other permit may be required by the County or City Building Department, or other governmental agencies prior to the commencement of any work. The Association assumes no responsibility for failure to obtain such permits. Also, obtaining such permits does not waive the obligation to obtain Committee approval.

II. GUIDELINES

A. Submission Procedure Requirements

1. All Applications for Committee approval are to be made on the C.R.E. Homeowners Association Architectural Submission Form (page 29).
2. *Submission of Applications. All Applications are to be made to the C.R.E. Homeowners Association Architectural Committee and submitted via the management company.*
3. Construction Drawings. Plans and specifications for works of Improvement must be prepared in accordance with the applicable building codes, and with sufficient clarity and completeness to enable the Committee to make an informed decision on your request.
4. Please forward one (1) set of your proposed plans and specifications, together with one copy of the Architectural Submission Form (page 29), along with the following information to the Committee to constitute a complete Application.
 - a) Plot plan drawn to scale showing the following:
 - i) All proposed Improvements and relevant elevations, together with the desired location of such Improvement to the Separate Interest.
 - ii) Complete dimensions of the proposed Improvements.
 - b) Description of materials to be used, including the proposed color scheme. Samples should be provided.
 - c) Drainage plans (if applicable) where the established drainage pattern might be altered by the proposed Improvement.
 - d) Plot plans (if applicable) showing overall dimensions and area of Improvements reflecting your preliminary design concept.
 - e) Description of proposed construction scheduled.
 - f) Landscape plan and working drawings (if applicable).

- g) If proposed Improvements require access (over) the Covered Property facilities for purposes of transporting labor or materials, written permission shall be required from the Association. Any such requests must be filed with the Board of Directors prior to the commencement of your Improvement.
- h) Any other information or documentation deemed to be necessary by the Committee in evaluating your request.

B. Failure to Comply with Required Procedures

Failure to comply with the requirements and procedures set forth herein shall cause your Application to be delayed pending submission of other information and documentation to the Committee. An incomplete Application shall affect the time limits for approval.

C. Approval by Architectural Committee

Decisions of the Committee and the reasons therefore should be transmitted to the Applicant at the address set forth in the application for approval within thirty (30) days after receipt by the Committee of all materials required by the Committee. Any application submitted pursuant to the provisions of the CC&Rs shall be deemed approved unless written disapproval, conditional approval or a request for additional information or materials by the Committee shall have been delivered to the Applicant within thirty (30) days after the date of receipt by the Committee of all required materials.

D. Enforcement

Failure to obtain the necessary approval from the Committee, or failure to complete the Improvements in conformity with the plans and specifications approved by the Committee, may constitute a violation of the Declaration of Restrictions and may require modifications or removal of any work or Improvement at your expense.

E. Violations

All Owners in the community shall have the right to bring to the attention of the Committee any violations of the standards set forth herein.

F. Notice of Completion

Upon the completion of any work for which approved plans and specifications are required and granted which shall not exceed 120 days without further approval of the Committee, the Owner shall forward a written Notice of Completion (Exhibit C) to the Committee.

G. Inspection

The Committee or its duly authorized representative may at any time inspect any Improvement, change or alteration thereof, for which approval of plans is required; provided, however that the Committee's right of inspection shall terminate thirty (30) days after the Owner has given written notice of the completion of the work to the Committee.

If, as a result of its inspection, the Committee finds that the improvement, change or alteration thereof, was done without obtaining approval of the plans or was not done in substantial compliance with the plans approved by the Committee, it shall notify the Owner in writing of the failure to comply within thirty (30) days after inspection, specifying the particulars of noncompliance ("Notice of Noncompliance"). The Committee shall have the authority to require the Owner to take such actions as may be necessary to remedy the noncompliance.

H. Noncompliance

If upon the expiration of thirty (30) days from the date of the Notice of Noncompliance the Owner shall have failed to remedy the noncompliance, the Committee shall notify the Board in writing of such failure and the nature thereof, and the estimated cost of correcting or removing same. The Board shall have the right at its option either to pursue such remedies against the Owner as it may have in any court of competent jurisdiction or to determine whether there is a noncompliance after notice and hearing.

If a noncompliance is determined to exist in the notice and hearing, the Owner shall remedy or remove the same within a period of not more than thirty (30) days from the date that notice of the Board ruling is delivered to the Owner. If the Owner does not comply with the Board ruling within such period, the Board, at its option, may record a Notice of Noncompliance against the real property in which the noncompliance exists, remove the non-complying Improvement, or remedy the noncompliance; and the Owner shall reimburse the Association, upon demand, for all expenses incurred in connection therewith. If such expenses are not promptly repaid by the Owner to the Association, the Board may levy a Special Assessment against the Owner for reimbursement.

I. Variances

The Committee may allow reasonable variances and adjustments of the provisions of development standards applicable to the Community, as such standards may be established by the Board, the Committee or the CC&Rs, in order to overcome practical difficulties and prevent unnecessary hardships in the application of such standards; provided, however, that this must be done in conformity with the intent and purposes thereof, and also provided that such variance or adjustment will not be materially detrimental or injurious to the value of other property or Improvements in the Community.

J. No Waiver of Future Approvals

The approval by the Committee of any proposals, plans and specifications or drawings for any work done or proposed or in connection with any other matter requiring the approval and consent of the Committee shall not be deemed to constitute a waiver of any right to withhold approval of or to consent to any similar proposals, plans and specifications, drawings or any matter whatsoever that is subsequently or additionally submitted for approval.

III. ARCHITECTURAL STANDARDS

A. Structural or Material Additions or Alterations

Exteriors of any building shall conform to the material, colors, character and detailing as established on the existing Residential Lot within the respective Tract for which an application is submitted.

1. Structures shall conform to the original structural character of the existing Dwelling Unit.
2. Patio sun shades, patio covers, arbors and trellis structures shall be in compliance with the County of Los Angeles, Planning Department.
3. Structures under this section will be stained or painted to match or be complimentary with colors used on its appurtenant Dwelling.
4. Structures in this section shall either have flat or shed roofs, or a form consistent with the existing roof lines.
5. No Improvement shall exceed the roof height of the existing dwelling.
6. In designing this addition, intrusion upon a neighbor's privacy, or the passage of light or air to a contiguous Dwelling, shall be kept to an absolute minimum.

B. Landscaping and Other Related Improvements

No Owner of a Residential Lot shall make any alteration to the Association Property, or Improvements installed by the Declarant, or remove, plant or replace any landscaping, planting, structure, furnishings, or other object within the Association Property or the Association Properties except with the written consent of the Board.

C. Owner's Duty of Maintenance of the Residential Landscape Easement Areas

No portion of a Residence or the Residential Lot landscaping viewable from the Association Property shall be permitted by the respective Owner to fall into disrepair. Subject to the requirements herein and the jurisdiction conferred on the Committee as to maintenance standards to be met, each such exterior portion of a Residence and or the Residential Lot landscaping shall, at all times, be kept in good condition by and at the sole expense of the Owner.

D. Drainage

Owner of a Residential Lot will in no way interfere with the established drainage of his or her Residential Lot from adjoining or other Residential Lots, Association Property or other property unless adequate provisions have been made for proper drainage. "Established drainage" is defined as the drainage which existed at the time the final grading of the Residential Lot was originally completed, and refers to both surface drainage and subsurface drainage, if any.

E. Gutters and Downspouts

No gutters, downspouts or scuppers to control water shed from roofs shall be installed without prior approval of the Committee. Such Improvements shall be primed and painted to match the surface color of its appurtenant Dwelling. Each Owner shall also ensure that the gutters and downspouts serving his/her Residential Lots are kept clean and free of debris.

F. Antennas, Solar Energy Panels, etc.

No antenna for radio or television reception or transmission, including so-called satellite dish antenna, and no air-conditioning unit, solar or energy panel or other appliance or apparatus, or like item shall be placed within the Community so as to be visible from Association Property, except (i) as a result of Declarant's original construction or (ii) upon approval of the Committee, or (iii) as authorized by law. The restrictions of are intended to apply to all antennas, specifically including antennas with a diameter or diagonal measurement of thirty-six (36) inches or less, to the full extent permitted by Civil Code Section 1376 or other applicable law.

G. Line of Sight Obstructions Prohibited

No fence, hedge, or planting which obstructs line of sight at elevations between two (2) and six (6) feet above the roadways shall be placed or permitted to remain on any intersection of the private streets within the Property within the triangular area formed by the street property lines and a line connecting them at points twenty-five (25) feet from the intersection of the street lines, or, in the case of a rounded corner, from the intersection of the street property lines extended. The same line of sight limitations shall apply within ten (10) feet from the intersection of a street property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such lines of sight.

H. Retractable Awnings

1. *Awnings shall be allowed for rear yard use only unless approved by Architectural Committee.*
2. Awnings must be affixed to the dwelling and cannot exceed a total projection of ten (10) feet from the wall to which it is attached.
3. Awnings must be of a solid, neutral color to coordinate with the home exterior color and is subject to AC approval.
4. Homeowner understands that retractable awnings will not remain permanently extended.

I. Lighting – Decorations

Seasonal Christmas/Holiday decorative lighting and decorations may be installed without Architectural Committee review. Christmas/Holiday lights shall be permitted not earlier than Thanksgiving and must be removed no later than January 31st. Christmas/Holiday and other seasonal displays which, in the opinion of the Architectural Committee, create traffic congestion or become an annoyance to adjacent property owners, shall not be allowed. ***Other seasonal decorations are permitted provided they are installed no earlier than 15 days prior to the holiday and removed 15 days after the holiday.***

J. Dog Houses/Dog Runs

Construction of dog houses and dog runs requires Architectural Committee approval. Plans should consider the following guidelines:

1. Dog houses and dog runs are to be located in rear or side yards only.
2. Dog houses and dog runs are also to be located out of sight or screened from surrounding property.
3. Noise attenuation for neighboring owners must be a consideration.

K. Screen Doors

Plans and specifications for screen doors must be submitted to the Architectural Committee for approval. The information provided shall specify the proposed location of the screen doors, materials and trim. Screen doors should conform to the following guidelines:

1. All screen doors must be installed within the existing doorjamb or a suitable trim provided which matches existing dwelling unit trim.

2. *Design of doors is subject to approval.*
3. Standard brushed aluminum finish doors are prohibited.

L. Tool/Storage Sheds

1. The location, design and material of the shed are subject to review and approval by the Architectural Committee.
2. The shed shall be of a color and style that matches the dwelling unit.
3. Prefabricated metal or aluminum sheds are prohibited.

M. Exterior Painting

Any change in the color of the exterior of a building or of a single family Residence, submitted by an Owner, must receive the written approval of committee. Approval will not be necessary if the exterior color is to be the same as the original exterior color.

N. Landscape/Hardscape

1. *All landscaping, plantings, and installation of permanent irrigation systems by an Owner shall remain aesthetically consistent with the design and plan of the community.*
2. *Trees, hedges, and shrubs, which restrict sight lines from neighboring units, shall be cut back or removed.*
3. *Drainage: There shall be no interference with the established drainage patterns over any Lot, or Common Area, unless an adequate alternative provision is made for proper drainage. The landscape irrigation system should be designed to prevent excessive saturation of soils.* Planters created by walkways next to a Residence should be lined with an impervious surface and should contain drainage outlets for excess water.
4. *Trees: All trees installed shall be maintained, repaired and irrigated by the Owner, unless otherwise approved by the Committee.* An Owner must obtain written approval from the Committee for all Improvements including trees or other landscaping which will grow to a height in excess of fifteen (15) feet.
5. *Artificial Turf may be installed in lieu of real grass; provided, however, that the following guidelines are followed:* An Architectural Application must be submitted, along with a 12" x 12" labeled sample of the desired turf. The artificial turf must resemble live fescue type green grass in appearance, have a minimum face weight of 70 oz., have a minimum pile (blade) height

of 1.75", have varying blade heights and thatch to enhance realism, and must not be overly reflective in appearance. Only artificial turfs with multi- height, width, textured, and color blades will be approved for use in front yards. For back and side yards, any turf product may be used as long as your adjacent neighbors sign their approval on your Architectural Application (which must include a description of the side/back yard turf if different from the front). Installation of turf must use a zipper seam installation. A planter area with a minimum one foot (1') width, filled with living plant materials, must be installed in areas between artificial turf and any neighboring front yard property to separate the artificial turf from living turf or other artificial turf lawns (if applicable). If the color of the turf changes or fades over time, the Homeowner will be responsible for replacing it. As with any element of the design and aesthetic of residences within the Community, the Homeowner will be responsible to follow the proper maintenance regime to ensure quality appearance and environmental impact of the artificial turf to comply with all maintenance regulations set forth within the Association's governing documents, policies, and guidelines.

6. ***Decorative Rock, gravel, etc.:***

- a) Rock and/or gravel must not be the dominant or the primary feature in the front yard. Rock must be secondary to the landscape.
- b) Any proposal to use rock, gravel or boulders in the front yards shall be submitted with exact specifications of material, size, color and location.
- c) Colors must be used which blend with the natural landscape.
- d) Bark will be considered the same as rock and gravel.

O. Right to Adopt Additional Architectural Standards

The Board of Directors may, from time to time, adopt and promulgate additional Architectural Standards to be administered through the Committee_ Copies of such additional Architectural Standards, together with any Rules and Regulations adopted and promulgated by the Board of Directors ***shall be on file at the office of the Property Management Company.***

P. Temporary Structures and Residences Prohibited

No structure of a temporary character, including, without limiting the generality of the foregoing, a recreational vehicle, tent, shack, house trailer, garage, barn, shed,

or other outbuilding shall be located anywhere on the Property without written approval of the Committee, and in any event may not at any time be used as a temporary or permanent residence anywhere within the boundaries of the Property.

Q. Limitation on Basketball Hoops

No Owner shall place a basketball hoop anywhere in or on the Property, unless the Board gives its prior written consent to the location.

R. Windows

Windows may not be covered in any manner with materials such as metal foil, newspaper, reflective tint or paint. Temporary window coverings are allowed for no longer than ninety (90) days after first occupancy of any respective Residence.

IV. GENERAL CONDITIONS

- A. An oversight of a Covenant, Condition or Restriction, or a Committee policy does not constitute waiver of that rule and therefore, must be corrected upon notice.
- B. Streets may not be obstructed with objects and building materials that are hazardous to pedestrians, vehicles, etc. Items such as, but not limited to, dumpsters, sand and building materials may not be stored on streets, sidewalks, or Property.
- C. ***Any damage to Association Property will be replaced or repaired by a licensed contractor.*** All applicable charges for restoration will be charged back to the responsible Owner and is due and payable within thirty (30) days from notification or assessment of penalties.
- D. Approval of plans is not authorization to proceed with Improvements on any Property other than the Residential Lot owned by the Applicant.
- E. An Improvement may be repainted without Committee approval, so long as the Improvement is repainted the identical color with which it was last painted in compliance with all applicable restrictions.

**CAGNEY RANCH ESTATES HOMEOWNERS ASSOCIATION
REQUEST FOR ARCHITECTURAL APPROVAL**

- 1) Please return this completed application and all required forms to the Architectural Committee at:

**Cagney Ranch Estates HOA Architectural Committee
c/o Robert Minsky, Chairperson
18523 Oldenburg Lane
Granada Hills, CA 91344-2022**
- 2) This application must be filled out completely and include all plans, colors, and supporting documents before it will be considered. Please include all dimensions, heights, colors, drainage, equestrian easement compliance, etc. for your proposed improvements. Failure to fully complete this application may inconveniently lengthen the process.
- 3) The average application processing time is less than 30 days. The response time will be in accordance with applicable provisions of the C.R.E. CC&Rs (see *Section 5.17* and *Article 6*).
- 4) If a homeowner does not seek architectural approval from the Association's Architectural Committee, the Association has certain rights specified in the CC&Rs. Please review the CC&Rs pertaining to the rights of the Association regarding improvements, specifically *Articles 5* and *6*.
- 5) As a homeowner, you have the right to appeal the Architectural Committee's decision to the full Board of Directors.
- 6) An example of a proposed plot plan is included in these pages, as well as a section to indicate the colors of paint used.
- 7) The final product may be inspected for conformity to your application. Applicant agrees to allow the Association and/or the Architectural Committee access for such inspection.
- 8) Some improvements or additions may require a separate application to the appropriate City and/or County agencies to obtain building permits. It is the responsibility of the homeowner to obtain all necessary approvals, including building permits, etc. The approval of the Architectural Committee does *not* constitute any express or implied City or County approval of your construction.
- 9) If you have any questions, please feel free to contact the Architectural Committee by e-mail at rminsky55@gmail.com, or contact the Cagney Ranch Estates Property Manager, Tony Barbarotto, at tbarbarotto@rossmorganco.com.

**CAGNEY RANCH ESTATES HOMEOWNERS ASSOCIATION
ARCHITECTURAL SUBMISSION FORM**

Date: _____ Homeowner: _____
 Phone (home): _____ Property Address: _____
 Phone (alt): _____ Lot #: _____
 e-mail: _____ Granada Hills, CA 91344- _____
 Submittal For Landscape Hardscape Pool Spa Patio Cover
 Other: _____
 Proposed Start Date: _____ Anticipated End Date: _____

Adjacent Neighbors' Approval:

Neighbor on Left Side _____
 (when facing your house) Please print name

 Address

 Signature _____ Date _____

Neighbor on Right Side _____
 (when facing your house) Please print name

 Address

 Signature _____ Date _____

Neighbor at Rear or Front _____
 of Your Property Please print name

 Address

 Signature _____ Date _____

I UNDERSTAND AND AGREE THAT no work on this request shall commence until written approval has been granted by the Architectural Committee. I agree to complete all improvements and maintain my lot in accordance with my approved plans and with the CC&Rs of the Cagney Ranch Estate Homeowners Association.

 Primary Owner's Signature Date Co-Owner's Signature Date

FOR ARCHITECTURAL COMMITTEE USE ONLY:

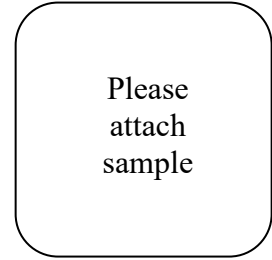
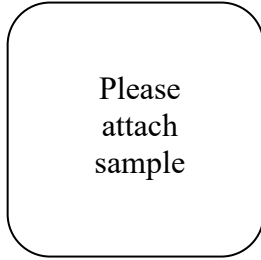
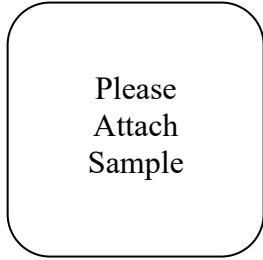
[] Approved [] Denied [] More information required

COMMITTEE COMMENTS OR CORRECTIONS:

1. _____
2. _____
3. _____

Architectural Committee Signature: _____ **Date:** _____

PROPOSED PAINT COLORS



Surface to be painted: _____

Surface to be painted: _____

Surface to be painted: _____

Color name: _____

Color name: _____

Color name: _____

Brand name: _____

Brand name: _____

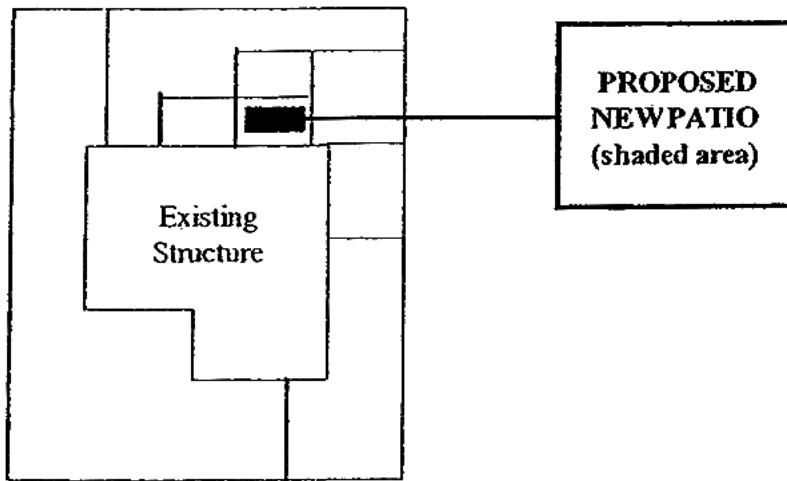
Brand name: _____

PLOT PLAN

All applications must have a plot plan submitted, which should represent the shape and size of the lot being considered, and include the following:

- 1) Dimensions of structure(s).
- 2) Details of construction.
- 3) Relation to existing structure(s).
- 4) Type of material(s) used in construction, type of trim(s), color of structure(s), and any other pertinent details.
- 5) Plotted locations of trees, shrubs, sprinklers, drains, etc. Indicate species, installed size, and maximum size of all plantings (e.g., "King Palm tree, 36-inch box, 16-ft tall, 40-ft max height").
- 6) Location of pool controls & other "noisy" items, and whether such equipment will be low-decibel.
- 7) Plotted location of 10-ft equestrian access from front yard, horsekeeping area, and stable (per the equestrian easement you agreed to upon close of escrow).

*****SAMPLE PLOT PLAN*****



CAGNEY RANCH ESTATES HOA
NOTICE OF COMPLETION

Notice is hereby given that: _____
Name

Is the Owner(s) of the property located at:

(Street & Number)

(City)

The work of Improvement on the described property was COMPLETED on the _____ day of _____, 20____ in accordance with the Architectural Committee’s written approval of the above Owner’s plans and application.

Please provide photographs of the completed improvements with this notice to the Architectural Committee.

Signature of Owner: _____

Date: _____

CAGNEY RANCH ESTATES HOA
EXTERIOR MAINTENANCE & SWALLOWS MITIGATION POLICY

WHEREAS, the *Third Amended and Restated Declaration of Covenants, Conditions, and Restrictions* (the “**CC&Rs**”) of the *Cagney Ranch Estates Homeowners Association* (the “**HOA**”) requires the *HOA Board of Directors* (the “**Board**”) to enforce all governing documents related to the exterior appearance of Residential Lots, including CC&Rs Article V Section 5.16, the *Third Amended and Restated Bylaws* (the “**Bylaws**”) Section 4.02(i), and the *Rules & Regulations* (the “**Rules**”) Architectural Guidelines Section III(C); and

WHEREAS, CC&Rs Section 5.16(a) states, “each such exterior portion of a Residence and/or the Residential Lot landscaping shall, at all times, be kept in good condition by and at the sole expense of its Owner”; and

WHEREAS, (i) When present and active on a property, swallows often create an unsightly mess with muddy nests attached to a house’s eaves and sidings, and corrosive droppings that litter and sully areas below; (ii) Returning colonies of swallows are typically a larger population than the previous year and build more nests next to existing ones, forming a dense cluster. Two to three additional nests can be built per season, sometimes on top of old nests; (iii) Other issues associated with swallows are debris from falling nests, disruptive noise from their loud mating calls, and an abundant amount of droppings that create aesthetic problems, defile vehicles and machinery, and create potential health hazards. Secondary infestations can also occur from mites and swallow bugs that are often found in their nests; and

WHEREAS, swallows are Federally protected under 16 U.S.C. §§ 703-712, known as the Migratory Bird Treaty Act of 1918 (the “**MBTA**”), and also protected by California Fish & Game Code §§ 3503, 3503.5, and 3513. With respect to swallows’ nests, these protections collectively complicate Owners’ ability during breeding season — approximately from February 15th to September 30th — to maintain the exterior of their respective residences by prohibiting the disturbance of active swallows’ nests that have eggs and/or chicks inside;

NOW THEREFORE BE IT RESOLVED THAT in order to provide Owners with clear guidance as to what the CC&Rs, Bylaws, and Rules require with respect to exterior maintenance when impacted by a swallow infestation, the following policy is adopted by the Board:

1. Each year after October 1st, any Owner whose house has swallows nests on it must have them all removed, along with any guano, droppings, mud, dirt, or other unsightly soiling. All such cleaning, repairs, and restoration must be completed by November 30th at the Owner's expense. Owners are responsible for ensuring that nests are free of eggs or chicks before nests are removed; and
2. All Owners with homes that regularly attract swallows must take proactive steps at their expense to prevent swallows from building new nests, such as placing special netting or spikes, or hiring a professional to install other preventative measures. This provision does not require or advocate any specific cleaning and mitigation methods Owners must use to comply with this policy; so, for example, if a drought emergency is declared by the state or local government and/or water restrictions are announced, CA Civil Code § 4736 might restrict an Owner's use of pressure washing to prevent or remove nests, debris, and feces; and
3. An Owner who fails to take reasonable steps to properly maintain the exterior of his or her residence to prevent or deter swallows from nesting is subject to the Association's *Enforcement Policy & Schedule of Fines*. While the MBTA prevents the Association from compelling nest removal from February 15th to September 30th, the Association can still pursue enforcement against any Owner who fails to take steps to mitigate against swallow nesting, as set forth above. For example, if an Owner is called to a hearing and the Board determines such Owner did nothing to prevent swallow nests from establishing prior to February 15, such Member may have applicable fines imposed monthly from February until the nests are eventually legally removed; and
4. If an infestation of swallows results in damage or clean-up costs to any Association property or Common Areas, or significantly impacts a neighbor's property, the Owner determined to be responsible for the swallow nesting may be liable for the damage and related clean-up costs, but only if called to a hearing and afforded due process.

CAGNEY RANCH ESTATES HOA

FILMING POLICY

In order for a production company to be approved for filming in the Cagney Ranch Estates community, the following conditions shall apply:

1. The Association shall be named as an additional insured on the production company's liability policy in the amount of \$2 million.
2. The production company shall pay the Cagney Ranch Estates Homeowners Association in advance a minimum fee of \$500.00 per day for commercials and \$1,000.00 per day for movies and/or major television/streaming productions.
3. In addition to providing its own security, the production company shall pay for security personnel (at least one guard) hired by the Association to be on duty throughout the filming process to ensure that Cagney Ranch Estates security procedures are followed.
4. No large vehicles or trucks may be parked in the Cagney Ranch Estates community at any time without prior written authorization from the Board President, Board Vice-President, or HOA's Property Management Company representative. Production crews must be shuttled into the community for filming. All trucks must be parked outside of Cagney Ranch Estates (e.g., on Sesnon Blvd) and are subject to the permitting process of the City of Los Angeles. No vehicles may block a private residence's driveway without prior written permission of the homeowner.
5. All homeowners adjacent to any property being used for filming must be compensated, such compensation to be negotiated directly between the production company and those homeowners.

CAGNEY RANCH ESTATES HOA

ASSESSMENTS COLLECTION POLICY

When a family buys one of the homes in the exclusive Cagney Ranch Estates (“C.R.E.”) community, their real estate purchase contract includes a copy of the C.R.E. Homeowners Association (“HOA”) governing documents (“CC&Rs”). A new owner agrees to abide by all of these rules (whether or not he or she has actually read them!) upon signing such purchase contract.

These CC&Rs include a requirement for all homeowners (“Members”) to pay regular HOA membership dues (known as “assessments”) to the HOA, which then uses these funds to pay for services that help to maintain and improve the community’s property values and safety. These services include, but are not limited to: common area landscaping maintenance, legal representation for the HOA, management costs, public Board meetings, private security patrols of the community, and postage.

The HOA’s anticipated expenses are reported to all Members on an annual basis in the form of an Operating Budget. Additionally, financial report summaries are made available at all regular public Board meetings. These disclosures allow all homeowners to verify that the HOA is responsibly and transparently spending Members’ collective assessments on projects that best benefit the community.

As you can understand, the prompt receipt of all monthly assessments is critical to the success of the HOA’s efforts to positively affect the quality of life in our community. Your elected HOA Board of Directors (“Board”) has the obligation to oversee this timely collection of all assessments. To this end, per the CC&Rs and in compliance with the CA Civil Code (including, without limitation, Sections 1354, 1365, 1366 and 1367), the Board hereby notifies you of the following policies and practices with regard to the collection of delinquent assessments:

Assessments are due on the first day of each month and are **delinquent if not received by the 15th day of such month.**

- a) An assessment is considered paid by 12:00 noon on the day such payment is received by any employee of the HOA’s designated agent, regardless of the time of day such payment was actually received.
 1. Postmarks shall not be considered when determining the date a payment was received, unless such payment was sent via USPS Certified Mail, USPS Registered Mail, FedEx, UPS, or DHL.

b) All payments shall be applied to assessments first (before late fees, interest, costs, etc.), and all payments shall be applied according to FILO (first in, last out), meaning that when a payment is received for a Member's account, the most recent monthly assessment shall always be paid off first, while the most delinquent payment and all accrued penalties shall be paid off last. Please be aware of the serious implications of this policy: all enforcement actions taken against a delinquent Member may continue as detailed below until such Member's account is paid in full, even if regular interim monthly assessment payments are received. The foregoing shall not be construed to imply that partial payments from delinquent Members will be accepted by the Association.

c) Overnight payment of assessments may be sent/delivered to the following street address of the HOA's designated agent:

CAGNEY RANCH ESTATES HOA
c/o Ross Morgan & Company, Inc.
15315 Magnolia Boulevard, Suite 212
Sherman Oaks, CA 91403-1176

d) Members shall be given the ability to pay their assessments automatically via scheduled bank draft or, if supported by the HOA's designated agent, via credit card or debit card.

e) If a special assessment is necessary, the bill for said assessment will clearly indicate the due date for payment of such. The due date will be at least thirty (30) days after the date of such notice of special assessment.

f) If a Member's personal check is returned for insufficient funds, a fee of at least thirty dollars (\$30.00) shall be added to such Member's account.

g) Per *CC&Rs Section 4.11(a)(iii)*, any assessment not paid within **thirty (30)** days of the due date may accrue interest on all sums due—including assessments, collection costs, and late charges—at an annual rate of twelve percent (12%).

h) If any regular assessment is not received by the **15th day of the month**, the HOA's designated agent will send a reminder notice and statement to the delinquent Member asking the homeowner to pay immediately.

1. A delinquent payment in any month will result in a late charge of at least ten dollars (\$10.00) for each month the account is not brought current.

- i) If payment in full is not received within **forty-five (45)** days after the original due date, the matter will be turned over to the HOA's designated agent who will (i) send a Pre-Lien Notice to the delinquent Member, and (ii) if possible, send same to such Member's e-mail address, requiring immediate payment in full and stating that if such payment is not received by the exact date specified in such notice, **which shall be twenty (20) days from the date the notice is sent**, the process of recordation of a lien against such Member's property may begin, and the Board may call such Member to a hearing during a properly-noticed Executive Session Board meeting, at which the Board may vote to suspend indefinitely such Member's HOA privileges and voting rights until such time as such account is paid in full, including all applicable fees, late charges, accrued interest, and all legal fees incurred by the HOA with respect to this delinquency.

- j) If payment in full is not received within **ninety (90)** days after the original due date, the matter will be turned over to the HOA's designated agent who will (i) prepare and send a pre-lien letter via USPS First Class and Certified Mail to the delinquent Member, and (ii) if possible, send same to such Member's e-mail address, demanding immediate payment in full and stating that if such payment is not received by the exact date specified in such notice, **which shall be thirty (30) days from the date the notice is sent**, a Notice of Delinquent Assessment and Claim of Lien shall be recorded against such Member's Residential Lot, and the Board shall call such Member to a hearing during the next scheduled Executive Session Board meeting, at which the Board may vote to suspend indefinitely such Member's HOA privileges and voting rights until such time as such account is paid in full, including all applicable fees, accrued interest, and all legal and title fees incurred by the HOA with respect to such lien.
 - 1. If payment in full is not received within thirty (30) days from the date of such pre-lien letter, the Board shall vote to approve recording a lien against such Member's Residential Lot with the County Recorder's Office. Within ten (10) days after such lien is recorded, evidence of the lien shall be sent to said Member via USPS Certified Mail.

- k) Upon approval by the Board, the HOA's legal agent shall file a complaint in Superior Court for all appropriate causes of action, including foreclosure on the lien, at the earliest date allowed by applicable California and Federal law. Once the matter is filed in Superior Court, the case shall be handled as any other lawsuit.

Collections costs will vary depending on the method used, such costs being the responsibility of and assessed to the delinquent Member.

1. The case shall be dismissed, or the foreclosure action terminated and the lien released, only upon receipt of full payment of such Member's account, including all maintenance assessments, special assessments, late charges, lien fees, attorney's fees, attorney's costs, court costs, other applicable fees, accrued interest, and any other charges against the delinquent Member's Residential Lot.

A request by any Member for the HOA to approve a payment plan to cure assessment delinquencies will be considered by the Board on a case-by-case basis. There is no guarantee, written or implied, that a payment plan will be granted. The Board has sole discretion whether to approve a request for a payment plan. The submission of a payment plan request to the Board shall not delay collection proceedings, shall not constitute a waiver by the Board of any default, and shall not relieve such Member of the obligations to pay all assessments, late charges, collection charges and interest when due. Such Member must submit said request in writing no later than fifteen (15) days after receipt of a pre-lien Letter. The Member should describe in the request any and all circumstances which such Member wishes the Board to consider. The Member should attach a proposed payment plan and a check for the amount of the first payment as proposed in the plan. If the proposed payment plan is approved, additional late fees shall not accrue as long as the Member is in compliance with the terms of the payment plan.

A copy of this Assessments Collection Policy shall be sent annually to all Members not less than thirty (30) days and not more than ninety (90) days immediately preceding the beginning of the HOA's fiscal year. The Board reserves the right to change this policy at any time with thirty (30) days' notice to the Membership.

In general, the Board's fiduciary responsibility to the HOA is to take whatever necessary actions are authorized by law and the CC&Rs to collect assessments. If the Board elects to use practices, procedures, or notices which exceed those required by law or under the CC&Rs, it does so without waiving the HOA's right to exercise collection remedies to the fullest extent permissible. Any additional notices or time periods the HOA might use are extended solely as a courtesy. No Member shall be entitled to expect longer time limits or notices other than those that are required by law or the CC&Rs. Monthly account statements are a courtesy; Members are responsible for making scheduled payments on time, whether or not such a statement or bill is received. All collection costs incurred by the HOA are the responsibility of, and shall be assessed to, the delinquent Member, and are subject to change.

The Board realizes that the preceding language can be confusing, but the HOA must rely on such complex legal writing to assure that Member assessments are paid promptly, and that homeowners who refuse to pay are dealt with fairly and forcefully. No single neighbor has the right to withhold their required contributions to the detriment of our community, and the Board must meet its fiduciary duty to the HOA in which we are *all* Members.

Here is a helpful real-world example (which does not supersede any of the foregoing):

- I. If the HOA's property management company does not receive John's January payment of \$298.00 by January 15th, he'll receive a friendly yet firm letter reminding him to pay quickly, or risk having a lien put on his house. John will be charged \$10 for every month he takes to pay the late amount, plus interest.
- II. If John still hasn't paid his January assessment by February 14th, he'll receive a Pre-Lien Notice and be given until March 6th to pay in full. He may also be called to a hearing by the Board at which he can discuss his reasons for not paying and work with the Association to craft an equitable payment plan. If John fails to attend the hearing, he could lose his voting rights and HOA privileges, and the Board will likely vote to move forward with the lien process.
- III. If John still hasn't paid by April 1st, then the Board may vote to place a lien on his house and the Board will direct the HOA's attorney to use all legal means to *make* John pay, which can include foreclosing on his house or suing him in court.

Effective Date: August 21, 2019

Respectfully,

THE BOARD of DIRECTORS
CAGNEY RANCH ESTATS HOA

CAGNEY RANCH ESTATES HOA

NOTICE OF ASSESSMENTS AND FORECLOSURE

This notice outlines some of the rights and responsibilities of owners of property in common interest developments and the associations that manage them. Please refer to the sections of the Civil Code indicated for further information. A portion of the information in this notice applies only to liens recorded on or after January 1, 2003. You may wish to consult a lawyer if you dispute an assessment.

ASSESSMENTS AND FORECLOSURE

Assessments become delinquent fifteen (15) days after they are due, unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure, or without court action, often referred to as non-judicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or non-judicial foreclosure to enforce such liens if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more than twelve (12) months delinquent, an association may use judicial or non-judicial foreclosure subject to the conditions set forth in *Article 3 (commencing with §5700) of Chapter 8 of Part 5 of Division 4 of the Civil Code*. When using judicial or non-judicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (*§§5700 through 5720 of the Civil Code, inclusive*)

In a judicial or non-judicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use non-judicial foreclosure to collect fines or penalties, except for costs to repair common areas damaged by a member or a member's guests, if the governing documents provide for this. (*§5725 of the Civil Code*)

The association must comply with the requirements of *Article 2 (commencing with §5650) of Chapter 8 of Part 5 of Division 4 of the Civil Code* when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association. (*§5675 of the Civil Code*)

At least thirty (30) days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail, including a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt. (*§5660 of the Civil Code*)

If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within twenty-one (21) days, and to provide an owner certain documents in this regard. (*§5685 of the Civil Code*)

The collection practices of the association may be governed by state and federal laws regarding fair debt collection. Penalties can be imposed for debt collection practices that violate these laws.

PAYMENTS

When an owner makes a payment, the owner may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person who received it. The association must inform owners of a mailing address for overnight payments.

(§5655 of the Civil Code)

An owner may, but is not obligated to, pay under protest any disputed charge or sum levied by the association, including, but not limited to, an assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise.

An owner may dispute an assessment debt by submitting a written request for dispute resolution to the association as set forth in *Article 2 (commencing with §5900) or Chapter 10 of Part 5 of Division 4 of the Civil Code*. In addition, an association may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in *Article 3 (commencing with §5925) of Chapter 10 of Part 5 of Division 4 of the Civil Code*, if so requested by the owner. Binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.

An owner is not liable for charges, interest, and costs of collection if it is established that the assessment was paid properly on time. *(§5685 of the Civil Code)*

MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a time-share interest may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exist. *(§5665 of the Civil Code)*

The board must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment. These payment plans must conform to the payment plan standards of the association, if they exist. *(§5665 of the Civil Code)*

THE FOLLOWING DISCLOSURE IS MADE PURSUANT TO CIVIL CODE §§1812.700-1812.703

The state Rosenthal Fair Debt Collection Practices Act and the federal Fair Debt Collection Practices Act require that, except under unusual circumstances, collectors may not contact you before 8 a.m. or after 9 p.m. They may not harass you by using threats of violence or arrest or by using obscene language. Collectors may not use false or misleading statements or call you at work if they know or have reason to know that you may not receive personal calls at work. For the most part, collectors may not tell another person, other than your attorney or spouse, about your debt. Collectors may contact another person to confirm your location or enforce a judgment. For more information about debt collection activities, you may contact the Federal Trade Commission at 1-877-FTC-HELP or <http://www.ftc.gov>.

CAGNEY RANCH ESTATES HOA (“CRE”)

SUMMARY OF LIEN AND COLLECTION POLICY FOR DELINQUENT ASSESSMENTS

This policy is written to provide you with a statement in accordance with California Civil Code Section 5310(a)(6) & (7). The policies and practices of the Association with regard to the collection of delinquent assessments are as follows:

1. Assessments are due on the *first day* of the month. All other assessments, including Special Assessments, are due and payable on the date specified by the Board at the time they are adopted.
2. In the event an assessment is not received within fifteen (15) calendar days after it is due, the management company will send a statement and Delinquency Notice to the unit owner reflecting a delinquent balance.
3. If payment is not received within forty-five (45) calendar days of the original due date, a Pre-Lien Notice will be sent to Owner by certified mail demanding full and immediate payment. The minimum fee for this service is \$200.
4. If payment in accordance with the Pre-Lien Notice referenced in item 3 above has not been received within forty-five (45) calendar days after such notice was sent, a lien will be recorded against the Owner’s property upon Board approval. Notice of this lien will be sent by certified mail to the Owner within ten (10) business days after it is recorded. The minimum fee for this service is \$400.
5. In the event full payment is not received within thirty (30) calendar days after the lien is recorded, judicial or non-judicial foreclosure proceedings may be commenced at the discretion of the Board of Directors. The foreclosure will continue until the owner pays all delinquent maintenance assessments, special assessments, lien fees, attorney’s fees, attorney’s costs, late charges and/or interest to the maximum amount permitted by law, and any other charges and reasonable costs of collection against the property.
6. Notwithstanding the above, the Board of Directors, in its sole discretion, may decide to proceed to collect delinquent assessments with the assistance of a collection company in lieu of, or in addition to, proceeding by way of judicial or non-judicial foreclosure.
7. All returned payments (due to insufficient funds) will each be subject to a minimum \$30 returned check fee that will be added to the Owner’s account.

CAGNEY RANCH ESTATES HOA (“CRE”) ENFORCEMENT POLICY & SCHEDULE OF FINES

The primary objective of this enforcement policy is compliance with the Association’s governing documents (“Rules”). The CA Civil Code requires all associations to publish a fine schedule.

ENFORCEMENT POLICY

In the event of any violation of the CRE’s governing documents, the Board may call an Owner to a hearing and consider applying fines pursuant to California Civil Code §5855. Depending on the nature of the violation, the Board will consider the enforcement schedule below:

- First Offense:* Courtesy warning letter or Hearing Notice.
- Second Offense:* Final warning letter or Hearing Notice.
- Third Offense:* Hearing Notice, and additional enforcement in accordance with such hearing as necessary.

SCHEDULE OF FINES

Fines for ongoing violations of the Rules (such as failure to landscape, unsightly property condition, noncompliance with architectural rules, etc.) may be applied as follows:

- 1) Initial failure to correct violation: **\$4.00 per day** until the violation is resolved, provided, however, that the total monthly fine does not exceed \$120.00.
- 2) Failure to correct ongoing violation after a second hearing, 2 months after report of initial violation: **\$10.00 per day** until the violation is resolved; provided, however, that the total monthly fine does not exceed \$300.00.
- 3) Failure to correct ongoing violation after a third hearing 3 months after report of initial violation: **\$35.00 per day** until the violation is resolved; provided, however, that the total monthly fine does not exceed \$1,000.00.

Fines for per-incident violations of the Rules (such as loud parties, trash cans left in front of house, noncompliance with parking rules, etc.) may be applied as follows:

- 1) Initial failure to comply with provision(s) of the Rules: **\$120.00**;
- 2) Second failure to comply with the same provision(s) of the Rules: **\$300.00**;
- 3) Each additional violation of the same provision(s) of the Rules: **\$1,000.00**.

The Board may address multiple incidents of governing documents violations at one hearing; provided, however that adequate notice was given of such hearing for each violation.

The payment of any and all legal fees or costs incurred by the HOA to enforce compliance or collect fines will be the responsibility of the non-compliant Owner. It is each Owner’s sole responsibility to inform any tenants of all rules and regulations, and to ensure such tenants’ compliance. Each Owner is responsible for any violation committed by his or her tenants.