

This page is part of your document - DO NOT DISCARD



20180636268



Pages:
0083

Recorded/Filed in Official Records
Recorder's Office, Los Angeles County,
California

06/26/18 AT 10:07AM

FEES:	263.00
TAXES:	0.00
OTHER:	0.00
SB2:	75.00
PAID:	338.00



LEADSHEET



201806263300025

00015413095



009176680

SEQ:
01

DAR - Counter (Upfront Scan)



THIS FORM IS NOT TO BE DUPLICATED

ATTACHMENT

“IF THIS DOCUMENT CONTAINS ANY RESTRICTION BASED ON RACE, COLOR, RELIGION, SEX, GENDER, GENDER IDENTITY, GENDER EXPRESSION, SEXUAL ORIENTATION, FAMILIAL STATUS, MARITAL STATUS, DISABILITY, GENETIC INFORMATION, NATIONAL ORIGIN, SOURCE OF INCOME AS DEFINED IN SUBDIVISION (P) OF SECTION 12955, OR ANCESTRY, THAT RESTRICTION VIOLATES STATE AND FEDERAL FAIR HOUSING LAWS AND IS VOID, AND MAY BE REMOVED PURSUANT TO SECTION 12956.2 OF THE GOVERNMENT CODE. LAWFUL RESTRICTIONS UNDER STATE AND FEDERAL LAW ON THE AGE OF OCCUPANTS IN SENIOR HOUSING OR HOUSING FOR OLDER PERSONS SHALL NOT BE CONSTRUED AS RESTRICTIONS BASED ON FAMILIAL STATUS.”

RECORDING REQUESTED BY, AND)
WHEN RECORDED RETURN TO:)

Cagney Ranch Estates Homeowners Association)
c/o Ross Morgan & Company, Inc.)
15315 Magnolia Blvd., Suite 212)
Sherman Oaks, CA 91403)



(Space Above for Recorder's Use)

**THIRD AMENDED AND RESTATED DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS OF
CAGNEY RANCH ESTATES**

TABLE OF CONTENTS

DECLARATIONS	7
ARTICLE 1: DEFINITIONS	8
Section 1.1. "Annexable Property"	8
Section 1.2. "Architectural Control Committee" or "Committee"	8
Section 1.3. "Articles"	8
Section 1.4. "Assessment"	8
Section 1.5. "Association Property"	8
Section 1.6. "Association Rules" or "Rules"	8
Section 1.7. "Association"	8
Section 1.8. "Board" or "Board of Directors"	8
Section 1.9. "Budget"	8
Section 1.10. "Bylaws"	8
Section 1.11. "City"	8
Section 1.12. "Community" or "Cagney Ranch Estates Community"	8
Section 1.13. "Common Expenses"	8
Section 1.14. "County"	8
Section 1.15. "Declarant"	8
Section 1.16. "Declaration"	9
Section 1.17. "Directors"	9
Section 1.18. "Governing Documents"	9
Section 1.19. "Government Lending Agencies"	9
Section 1.20. "Improvements"	9
Section 1.21. "Initial Covered Property"	9
Section 1.22. "Manager"	9
Section 1.23. "Member"	9
Section 1.24. "Monetary Penalty"	9
Section 1.25. "Mortgage"	9
Section 1.26. "Mortgagee"	9
Section 1.27. "Owner"	9
Section 1.28. "Phase One"	9

Section 1.29. "Phase"	9
Section 1.30. "Property"	9
Section 1.31. "Public Report"	10
Section 1.32. "Regular Assessment"	10
Section 1.33. "Reimbursement Demand"	10
Section 1.34. "Residence"	10
Section 1.35. "Residential Landscape Easement Area(s)"	10
Section 1.36. "Residential Lot"	10
Section 1.37. "Special Assessment"	10
Section 1.38. "Total Eligible Voting Power"	10
Section 1.39. "Tract Map"	10
Section 1.40. "Other Interpretive Provisions"	10
ARTICLE 2: ASSOCIATION PROPERTY AND EASEMENTS	11
Section 2.1. Conveyance of Association Property	11
Section 2.2. Conditions on Owner's Easement to Use Association Property	11
Section 2.3. Reservations of Licenses, Rights, Etc., by Declarant	11
Section 2.4. Delegation of Use Right; Notice to Association.....	12
Section 2.5. Encroachment onto Residential Lots.....	12
Section 2.6. Encroachment onto Association Property	12
Section 2.7. Mailbox Easements	13
Section 2.8. Fencing, Walls and Perimeter Walls.....	13
Section 2.9. Grant of Easements by Association	13
Section 2.10. Public Record Easements	13
Section 2.11. Special Landscaping Easements and Open Spaces	13
Section 2.12. Easements for Drainage System Maintenance.....	14
Section 2.13. Easement in Favor of Water District	14
ARTICLE 3: HOMEOWNERS ASSOCIATION	15
Section 3.1. Association Membership	15
Section 3.2. Association Maintenance Responsibility	15
Section 3.3. Additional Association Duties, Powers and Limitations	15
Section 3.4. Right of Entry by Association	17
Section 3.5. Transfer of Membership	17

Section 3.6. Voting Members	17
Section 3.7. Unit Voting Required.....	18
Section 3.8. Cumulative Voting.....	18
Section 3.9. Delegation of Power to the Board	18
Section 3.10. Reserve Study	18
Section 3.11. Association Insurance	18
Section 3.12. Duty of Members	20
ARTICLE 4: COVENANT FOR MAINTENANCE ASSESSMENTS TO ASSOCIATION	21
Section 4.1. Regular and Special Assessments; Budget	21
Section 4.2. Special Assessments	21
Section 4.3. Limitation on Increases; Recovery of Delinquencies	21
Section 4.4. Uniform Rate and Collection	22
Section 4.5. Covenant for Payment and Establishment of Lien	22
Section 4.6. Purpose of Assessments.....	22
Section 4.7. Commencement of Assessments.....	22
Section 4.8. Reimbursement Demand, Monetary Penalties; Enforcement	22
Section 4.9. Enforcement of Payments	23
Section 4.10. No Exception from Assessment.....	24
Section 4.11. Assessments Include Reserves	24
ARTICLE 5: USES AND RESTRICTIONS.....	26
Section 5.1. Covenant Against Partition; Residential Use	26
Section 5.2. Association Property Alterations.....	26
Section 5.3. Nuisance.....	26
Section 5.4. Commercial Sign Restrictions	26
Section 5.5. Aesthetics.....	27
Section 5.6. Temporary Structures and Residences Prohibited	27
Section 5.7. Vehicles and Parking.....	27
Section 5.8. Power Equipment Restriction	29
Section 5.9. Owner's Liability for Damage.....	29
Section 5.10. Association Rules to Govern Use	29
Section 5.11. Mining Restriction.....	29
Section 5.12. Pet Restriction	29

Section 5.13. Prohibition Against Institutional Use	29
Section 5.14. Trash Handling and Storage Restriction	29
Section 5.15. Line of Sight Obstructions Prohibited	30
Section 5.16. Landscape Maintenance and Installation	30
Section 5.17. Windows	31
Section 5.18. Damage, Destruction, Condemnation to Private Improvements.....	31
Section 5.19. Enforcement.....	31
ARTICLE 6: ARCHITECTURAL CONTROL AND APPROVAL OF PLANS.....	33
Section 6.1. Architectural Control Committee	33
Section 6.2. Prior Approval Required.....	33
Section 6.3. No Liability of Committee	33
Section 6.4. Committee Action Final.....	33
Section 6.5. Variance May Be Allowed.....	33
Section 6.6. Architectural Guidelines.....	34
Section 6.7. Conflicting Governmental Action	34
ARTICLE 7: FIRST LIEN HOLDERS' RIGHTS	35
Section 7.1. Rights upon Foreclosure	35
Section 7.2. Notice to Mortgagees.....	35
Section 7.3. Mortgagees' Right to Approve; Association Responsibilities.....	35
Section 7.4. Mortgagee Approval of Cagney Ranch Estates Community Changes	36
Section 7.5. Restrictions on Certain Changes.....	37
Section 7.6. Right of Reimbursement.....	38
Section 7.7. No Right of First Refusal	38
Section 7.8. Leasing.....	38
Section 7.9. Examination of Books and Records	38
Section 7.10. Taxes, Assessments, and Charges	38
Section 7.11. Reserves for Replacement	38
Section 7.12. No Priority Over Rights of First Mortgagees	38
Section 7.13. VA Approval	39
Section 7.14. FHA Approval	39
Section 7.15. Conflict.....	39
Section 7.16. Amendments to Conform with Mortgagee Requirements	39

ARTICLE 8: ANNUAL INSPECTION.....	40
Section 8.1. Duty to Inspect	40
Section 8.2. Purpose of Inspection	40
Section 8.3. Scope of Inspection... ..	40
Section 8.4. Experts and Consultants	40
Section 8.5. Report to Owners.....	40
ARTICLE 9: MISCELLANEOUS	41
Section 9.1. Term.....	41
Section 9.2. Amendments.....	41
Section 9.3. Cumulative Remedies	41
Section 9.4. Notices.....	41
Section 9.5. Number and Gender	41
Section 9.6. Private Enforcement.....	41
Section 9.7. Association Property Casualty	41
Section 9.8. Condemnation	42
Section 9.9. Approval of Litigation	43
Section 9.10. Attorneys' Fees.....	43
Section 9.11. Invalidation of a Provision	43
Section 9.12. Effect of Declaration	43
Section 9.13. No Representations or Warranties	43
Section 9.14. Liberal Construction of Provisions.....	43
Section 9.15. No Liability for Unenforceable Provisions	43
Section 9.16. Non-liability of Officials.....	44
Section 9.17. Post-Tensioned Slabs	44
Section 9.18. No View Easements	44
Section 9.19. Conflicts.....	44
EXHIBIT A (Conveyance Easement).....	47
EXHIBIT B (Santa Monica Conservancy Conveyance Form)	50
EXHIBIT C (Residential Landscape Easement Areas)	61
EXHIBIT D (Home Occupation Policy).....	67
EXHIBIT E (Legal Description)	69

**THIRD AMENDED AND RESTATED DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS OF
CAGNEY RANCH ESTATES**

THIS THIRD AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS is made by the CAGNEY RANCH ESTATES HOMEOWNERS ASSOCIATION, a non-profit mutual benefit corporation (hereinafter referred to as the “**Association**”) with reference to the following facts:

A. WHEREAS, Association is a non-profit mutual benefit corporation organized under the laws of the State of California, and consisting of the Owners of Lots in that certain tract of land located in the City of Los Angeles, County of Los Angeles, State of California and more particularly described as follows:

Lots 1 through 47, inclusive, of Tract No. 48906, as per Map Book 1288 pages 44 through 52 inclusive recorded as Document No. 04-0739423 in the Office of the County Recorder of Los Angeles County, on March 29, 2004

The above property shall hereinafter be referred to as the “**Property**”.

B. WHEREAS, the Association in 2017, through a vote of the required percentage of the Total Eligible Voting Power of the Association, approved this Third Amended and Restated Declaration of Covenants, Conditions, and Restrictions (this “**Declaration**”, or the “**CC&Rs**”).

NOW, THEREFORE, Association hereby certifies, agrees and declares that it does hereby amend, revise and restate, the Declaration of Conditions, Covenants, Restrictions, Reservations, and Easements, recorded on or about April 14, 2006, as instrument No. 06 0824149 if the Official Records of the Recorder’s Office, County of Los Angeles, State of California, and any all amendments, recorded or executed on or thereafter. This Declaration is intended to and shall replace and supersede the aforementioned earlier Covenants, Conditions and Restrictions and any and all amendments thereto, whether or not recorded.

The Declaration shall run with the Property and shall be binding upon all parties having or acquiring a right, title or interest in the Property, or any portion thereof, or in any of the improvements thereon, and shall inure to the benefit of and bind each owner thereof and the respective successors in interest and are imposed upon Property and each and every portion thereof as a servitude in favor of Property and each and every portion thereof. Any conveyance, transfer, sale, assignment, lease or sublease made by any owner, or by the Association (as hereinafter defined) of a unit in the Property shall and hereby is deemed to incorporate by reference the provisions of this Declaration, which provisions shall be enforceable by Association, any owner or the owner’s successor and shall also be enforceable by the Association, its Board of Directors or any person, firm, or corporation authorized by the Association.

Association declares that, pursuant to the Davis-Stirling Common Interest Development Act, codified at Sections 4000 through 6150 of the California Civil Code (the “**Davis-Stirling Act**”), the Property has been established under a general plan for the development, maintenance, care, improvement, protection, use, occupancy, management and enjoyment of the Cagney Ranch Estates Community, and further declares that all Association Property and Residential Lots are held, conveyed, hypothecated, encumbered, leased, rented, used, occupied, and improved subject to the Declaration, all of which are declared and agreed to be in furtherance of and pursuant to a general plan for the development of the Cagney Ranch Estates Community, and all of which are declared and agreed to be for the purpose of enhancing, maintaining, and protecting the value and attractiveness thereof. All of the provisions of this Declaration are intended as, and are hereby declared to be, covenants running with the land and/or equitable servitudes upon the land, as the case may be, and pursuant to Section 1468 of the California Civil Code and the Davis-Stirling Act or any similar statutes then in effect, shall run with the land, be binding on, inure to the benefit of, and be enforceable by, all parties having or acquiring any right, title, or interest in the Cagney Ranch Estates Community, and shall be binding on and inure to the benefit of all subsequent owners of all or any portion of the Cagney Ranch Estates Community, together with their grantees, successors, heirs, executors, administrators, devisees, and assigns.

ARTICLE 1: DEFINITIONS

The capitalized terms used herein are defined as follows:

Section 1.1. “Annexable Property” refers to Lots 9 through 32, inclusive, and Lots 40 through 45 inclusive, along with Open Space Area Lots 46 and 47, inclusive of Tract No. 48906, as per Map recorded as Document No. 04-0739423 in the Office of the County Recorder of Los Angeles County, on March 29, 2004.

Section 1.2. “Architectural Control Committee” or “Committee” means that body established pursuant to the provisions of Article 6 of this Declaration.

Section 1.3. “Articles” means the Association’s Articles of Incorporation, as amended from time to time.

Section 1.4. “Assessment” means, collectively, the Regular Assessments and the Special Assessments, all as more fully set forth in Article 4 of this Declaration.

Section 1.5. “Association Property” means any real property, together with any personal property or Improvements thereon, which the Association may own in fee or over which the Association shall hold an easement for the common use and enjoyment of the Members, as provided herein, subject, however, to restrictions applicable to those areas designated as Residential Landscape Easement Area(s) as set forth herein.

Section 1.6. “Association Rules” or “Rules” means the rules and regulations regulating the use and enjoyment of the Cagney Ranch Estates Community, adopted by the Board pursuant to this Declaration or the Bylaws.

Section 1.7. “Association” means the Cagney Ranch Estates Homeowners Association, Inc., a California nonprofit mutual benefit corporation, its successors, and assigns.

Section 1.8. “Board” or “Board of Directors” means the Board of Directors of the Association.

Section 1.9. “Budget” means a pro forma operating statement adopted by the Association which sets forth its estimated annual income and expenses.

Section 1.10. “Bylaws” means the bylaws of the Association as they may from time to time be amended.

Section 1.11. “City” means City of Los Angeles, and where City approval or concurrence is required, shall extend to departments, commissions, and similar entities, as appropriate.

Section 1.12. “Community” or “Cagney Ranch Estates Community” has the meaning ascribed to such term in the recitals hereof.

Section 1.13. “Common Expenses” means the actual or estimated expenses of operating and maintaining the Association Property, any reasonable reserves for such purpose as determined by the Board, and all other sums designated Common Expenses by or pursuant to the Governing Documents. Without limiting the generality of the foregoing, Common Expenses shall include costs for maintaining, managing, operating, repairing, and replacing all or any Association Property(ies), managing and administering the Association (including compensation paid to managers, accountants, attorneys and employees), the cost of utilities and other services to the Association Property, as well as the costs of metered and/or un-metered utilities (if any) provided to the Association Property and/or Residential Lots, insurance as herein provided, and taxes payable by the Association.

Section 1.14. “County” means the County of Los Angeles, and where County approval or concurrence is required, shall extend to departments, commissions, and similar entities, as appropriate.

Section 1.15. “Declarant” means K. Hovnanian at Aliso, LLC, a California limited liability company and its assigns.

Section 1.16. “Declaration” means this Declaration of Conditions, Covenants, Restrictions, Reservations, and Easements of Cagney Ranch Estates and, as of the time of recordation of such in the Official Records of the County, all amendments, modifications, or supplements thereto.

Section 1.17. “Directors” means members of the Board of Directors of the Association.

Section 1.18. “Governing Documents” means the Articles, Bylaws, this Declaration, and any other documents specified as such in the California Civil Code.

Section 1.19. “Government Lending Agencies” means, collectively, the Federal National Mortgage Association (“**FNMA**”), the Government National Mortgage Association (“**GNMA**”), and the Federal Home Loan Mortgage Corporation (“**FHLMC**”).

Section 1.20. “Improvements” means Improvements to the property comprising the Cagney Ranch Estates Community, including fixtures within the meaning of California Civil Code Section 660, and without limiting the generality of the foregoing shall be interpreted to mean: the Residences, other buildings, garages, carports, streets, roads (and the ancillary improvements such as, but not limited to security areas and entryways), walkways, patios, outbuildings, driveways, parking areas, outdoor lighting, fences, walls, stairs, decks, hedges, lawn areas and other plantings such as trees and shrubs, windbreaks, mail collection stations, pools or spas (if any), decorative or informative signs, trash enclosures and receptacles, sewer, irrigation and drainage systems, and all other structures and landscaping improvements of every type and kind.

Section 1.21. “Initial Covered Property” means the property initially encumbered by this Declaration and which is intended to be the location of initial development for the Cagney Ranch Estates Community, as specified in Recital A of this Declaration.

Section 1.22. “Manager” means the person or entity appointed by the Association, if any, pursuant to the authority of Article 3 to carry out the duties and manage the affairs of the Association.

Section 1.23. “Member” means a person entitled to membership in the Association as provided herein.

Section 1.24. “Monetary Penalty” means a fee denominated as such which is levied by the Association pursuant to the authority of Article 4 of this Declaration.

Section 1.25. “Mortgage” means a mortgage or deed of trust encumbering a Residential Lot or other portion of the Cagney Ranch Estates Community.

Section 1.26. “Mortgagee” means the mortgagee under a Mortgage and the beneficiary under a deed of trust. An “institutional” Mortgagee is a Mortgagee that is a bank or entity chartered or licensed under federal or state laws whose principal business is lending money on the security of real property, or any insurance company or any federal (e.g., the Veterans Administration (“**VA**”) or Federal Housing Administration (“**FHA**”)) or state agency, including Government Lending Agencies. A “**First Mortgage**” or “**First Mortgagee**” is one having priority as to all other Mortgages or holders of Mortgages encumbering the same Residential Lot.

Section 1.27. “Owner” means the record owner, whether one (1) or more persons or entities, of fee simple title to any Residential Lot, including contract purchasers, but excluding those having such interest merely as security for the performance of an obligation.

Section 1.28. “Phase One” means, as described in Recital I, the real property designated as such on the first Public Report, within which are located the specified Residential Lots and related Improvements initially encumbered by this Declaration.

Section 1.29. “Phase” means Phase One as identified in Recital I, and Phases Two through Five, inclusive, as and when such Phases have been annexed into the regime of this Declaration, each such Phase to be included within the scope of a Public Report. Each Phase will typically at the time of annexation contain one or more Residential Lots and the associated Residences and Association Property.

Section 1.30. “Property” means the real property included within the regime of this Declaration at any given time.

Section 1.31. “Public Report” means any final public report pertaining to the Cagney Ranch Estates Community issued by the California Department of Real Estate pursuant to Section 11018.2 of the California *Business and Professions Code*.

Section 1.32. “Regular Assessment” means that certain annual assessment denominated as such which is payable in monthly installments as more fully defined in Article 4 of this Declaration.

Section 1.33. “Reimbursement Assessment” means an assessment levied to reimburse the Association as authorized per Article 4 of this Declaration.

Section 1.34. “Residence” means the single family, detached residential dwelling constructed upon any Residential Lot.

Section 1.35. “Residential Landscape Easement Area(s)” means those portions of the Residential Lots over which easements are reserved for the benefit of the Association, if any, as designated on Exhibit “C”, attached hereto.

Section 1.36. “Residential Lot” means a legally subdivided lot intended as the building site of a Residence, as shown on the recorded Tract Map. (see Exhibit “E” attached hereto).

Section 1.37. “Special Assessment” means those levies denominated as such which are Imposed by the Association pursuant to the authority of Article 4 of this Declaration payable at the time, and in the amount, as may be approved by the Board pursuant to that section.

Section 1.38. “Total Eligible Voting Power” means the number of Members whose voting rights have not been suspended or who are otherwise eligible to vote.

Section 1.39. “Tract Map” means the Tract Map for the Cagney Ranch Estates Community described in Recital A.

Section 1.40. Other Interpretive Provisions. With reference to this Declaration, unless otherwise specified herein:

- (a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined, and any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes,” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented, or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (ii) the words “hereto,” “herein,” “hereof” and “hereunder,” and words of similar import when used herein, shall be construed to refer to this Declaration in its entirety and not to any particular provision thereof, (iii) all references herein to Articles, Sections, recitals, Annexes, Exhibits, and Schedules shall be construed to refer to Articles and Sections of, and recitals, Annexes, Exhibits, and Schedules to, this Declaration, and (iv) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time.
- (b) In the computation of periods of time from a specified date to a later specified date, the word “from” shall mean “from and excluding,” the words “to” and “until” each mean “to but excluding,” and the word “through” shall mean “to and including.”
- (c) Section headings herein are included for convenience of reference only and shall not affect the interpretation of this Declaration.
- (d) The California Civil Code may hereinafter be referred to as the “**Civil Code**.”

ARTICLE 2: ASSOCIATION PROPERTY AND EASEMENTS

Section 2.1. Conveyance of Association Property. The Association is informed, believes, and hereby represents that Lots 46 and 47 of Tract No. 48906 have been conveyed to the Santa Monica Mountains Recreation and Conservation Authority in the form attached hereto as Exhibit "B", and that such conveyance was made free and clear of all encumbrances and liens, except easements, covenants, conditions, and reservations then of record, including those set forth in this Declaration. The Association Property, as the servient tenement, is subject (in addition to all other provisions herein contained) to an easement in favor of Lots 46 and 47, as the dominant tenements, for support from the land adjacent to Lots 46 and 47.

Section 2.2. Conditions on Owner's Easement to use Association Property. The Declarant has reserved for the benefit of the Association as well as each Owner a right and non-exclusive easement of ingress, egress, and of enjoyment in and to the Association Property, subject, however, to such rights and other restrictions as are set forth in this Declaration. Such easements are reciprocal and with respect to the Owners are appurtenant to and pass with the title to that Owner's Residential Lot, subject to the following rights and restrictions, which rights have been reserved in favor of the Association and the other Owners:

- (a) The right of the Association to locate common mail collection and distribution facilities and trash collection facilities on the Association Property.
- (b) The right of the Association to adopt and enforce Association Rules concerning any matter relating to use of the Association Property and governance of the Cagney Ranch Estates Community, as more fully set forth herein.

Section 2.3. Reservations of Licenses, Rights, Etc., by Association. The Association Property and each Residential Lot shall be subject to the following servitudes, licenses, and rights reserved for the benefit of itself and the Association:

- (a) The right and easement of access upon the Association Property or any Residential Lot in order to make repairs and remedy construction defects all as more fully set forth in and subject to the time limitations specified herein (but in clarification, the Association has no obligation or duty of repair or maintenance in regard to a Residential Lot except as may be specifically provided herein, and has no such obligation or duty at all with respect to a Residence); provided, however, that entry into an occupied Residential Lot shall not interfere with the use or occupancy thereof, unless authorized by its Owner, which authorization shall not be unreasonably withheld.
- (b) The right and easement to have chimneys of all or any Residence periodically swept for the specific purpose of abating fire hazards in the Cagney Ranch Estates Community, only. The costs thereof shall be separately allocated to and paid by the Owner of the respective Residential Lot for which such service was performed.
- (c) The right and easement to enter upon and inspect any Residential Lot, at any reasonable time, with the consent of its Owner, which consent shall not be unreasonably withheld, for the purpose of ascertaining whether the maintenance of such Residential Lot, the maintenance, construction, or alteration of Improvements with respect thereto, and any other matters referred to in this Declaration are in compliance with its provisions. When there is an entrance into any Residential Lot, such entrance shall be made with as little inconvenience to the Owner as possible, and any damage caused shall be repaired by the Association at its expense.
- (d) The right and easement to enter upon any Residential Lot to cure any violation or breach of the Governing Documents or the Association Rules; provided, that so long as the Board has not declared an emergency to exist, at least thirty (30) days' prior written notice of such violation shall be given to the Owner, and such entry may only be made if

within said thirty (30)-day period such Owner had not acted to cure such violation or breach. The Association shall be entitled to levy a Reimbursement Demand for its costs of effecting such cure against the Owner in accordance with the procedures herein contained. The rights of entry and cure shall be immediate in case of an emergency originating upon or threatening any Residential Lot, whether or not its Owner is present.

- (e) Subject to provisions or limitations herein contained, the right of the Association to borrow money to improve, repair, or maintain the Association Property.
- (f) The right and power to grant permits, licenses, and easements over the Association Property for utilities, quasi-utility services, roads, and other purposes reasonably necessary or useful for the proper maintenance or operation of the Cagney Ranch Estates Community.
- (g) The right and easement to enter any of the Residential Lots to perform all other obligations and duties of the Association under this Declaration which may not be specifically mentioned in this Section, including obligations or duties with respect to (i) watering, planting, cutting, removing, and otherwise caring for the landscaping within the Residential Landscape Easement Areas, and (ii) cleaning, repairing, replacing, and otherwise maintaining or causing to be maintained any aboveground or underground utility lines serving the Property. The rights shall be immediate in case of an emergency originating upon or threatening any Residential Lot, whether or not its Owner is present; otherwise, the Owner's consent shall first be obtained, which consent shall not be unreasonably withheld.
- (h) The right and easement of entry upon and access to any slopes or drainageways located on the Association Property when such access is essential for the maintenance or stabilization of slopes or drainage, or both.

Section 2.4. Delegation of Use Right; Notice to Association. Subject to the Association Rules, any Owner may delegate that Owner's rights of ingress, egress, and enjoyment in respect to the Association Property and facilities to the members of that Owner's family, tenants, guests, or contract purchasers so long as the person named in such delegation resides at the Cagney Ranch Estates Community; provided, that each Owner shall notify the Secretary of the Association of the names of any contract purchasers or tenants of such Residential Lot. Each Owner, contract purchaser, or tenant shall also notify the Secretary of the Association of the names of all persons to whom the Owner, contract purchaser, or tenant has delegated any rights of use and enjoyment and the relationship which each such person bears to the Owner, contract purchaser, or tenant. Any delegated rights of use and enjoyment are subject to suspension to the same extent as are those rights of Owners.

Section 2.5. Encroachment onto Residential Lots. If any portion of Improvements constructed on Association Property by Declarant encroaches upon any Residential Lot, an appurtenant easement for the encroachment and for the maintenance of same, so long as it is maintained in useable condition, shall exist over the burdened property. In the event any such encroaching Improvement is partially or totally destroyed and then rebuilt substantially identical to the destroyed Improvement, such encroachment into the immediately adjacent property due to such construction shall continue to be permitted and an easement for such encroachments and the maintenance thereof shall thereafter continue to exist.

Section 2.6. Encroachment onto Association Property. If any portion of Improvements constructed on a Residential Lot by Declarant encroaches upon the Association Property, an appurtenant easement for the encroachment and for the maintenance of same, so long as it is maintained in useable condition, shall exist over the burdened property. In the event any such encroaching Improvement is partially or totally destroyed and then rebuilt substantially identical to the destroyed Improvement, such

encroachment into the immediately adjacent property due to such construction shall continue to be permitted and an easement for such encroachments and the maintenance thereof shall thereafter continue to exist. Said easement shall be for the purpose of accommodating the Improvements (including the Residences) constructed or to be constructed by Declarant thereon whether such Improvements coincide exactly with the Tract Map or deviate due to engineering errors, errors in original construction, settlement, or shifting of structures, or any other cause so long as such encroachments shall exist. However, in no event shall an easement for encroachment exist if said encroachment occurred subsequent to the original construction by Declarant if such is attributable to negligence or willful misconduct of a non-Declarant Owner. In the event a Residence on any portion of the Property is partially or totally destroyed, and then repaired or rebuilt substantially identical to the destroyed Improvement, there shall be easements appurtenant over Association Property for the construction and maintenance thereof.

Section 2.7. Mailbox Easements. United States Postal Service or other governmental requirements may mandate that clustered mailboxes be installed within certain Residential Lots or on portions of the Association Property. Easements are hereby created on and over the affected Residential Lots and/or Association Property in favor of the Association, all Owners and the United States Postal Service for delivery and deposit of mail.

Section 2.8. Fencing, Walls, and Perimeter Walls. All fencing and/or walls dividing adjacent Residential Lots, if any, shall be treated as shared (herein, “**Party Walls**”). Subject to the provisions of this Declaration, each Owner shall be equally responsible for maintaining and repairing such Party Walls. Owners also shall be responsible for maintaining and repairing any perimeter walls and/or fencing not dividing adjacent Residential Lots, if any, that extend along the rear or side of any yard area of their respective Residential Lots (including “top-of-slope” view walls installed by Declarant). The Association shall be responsible for the structural integrity and maintenance of any perimeter wall and/or fencing installed at the outer boundary lines of the Property subdivided by the Tract Map that is not part of any Owner’s Residential Lot.

Section 2.9. Grant of Easements by Association. The Association shall have the power to grant and convey to any third party easements and rights-of-way in, on, over, or under the Association Property for the purpose of constructing, erecting, operating, or maintaining lines, cables, wires, conduits, or other devices for electricity, cable television, analog and/or digital communication, power, telephone, and similar purposes, public or private sewers, storm water drains and pipes, water systems, sprinkling systems, heating and gas lines or pipes, and any similar public or quasi-public Improvements or facilities which may be reasonably necessary or beneficial to the Cagney Ranch Estates Community. Each Owner, in accepting a deed to a Residential Lot, expressly consents to such easements and rights-of-way and authorizes and appoints the Association as attorney-in-fact of such Owner to execute any and all instruments conveying or creating such easements or rights-of-way.

Section 2.10. Public Record Easements. Each Residential Lot is hereby declared to be subject to all the easements, dedications, and rights-of-way granted or reserved in, on, over, and under the Cagney Ranch Estates Community as shown on the Tract Map or otherwise contained in the public records of the County.

Section 2.11. Special Landscaping Easements and Open Spaces.

- (a) Residential Landscape Easement Areas. Easements over portions of those Residential Lots listed on Exhibit “C”, attached hereto, which are included within the Initial Covered Property have been reserved in favor of the Association as Residential Landscape Easement Area(s). Each Residential Landscape Easement Area constitutes a non-exclusive easement in gross for the purpose of landscape, wall and slope maintenance, as more fully described thereon, all of which shall be obligations of the Association.
- (b) Special Maintenance Requirements. As required by the City’s conditions of approval for development of the Community, slope planting and the design and installation of a

special irrigation system in connection with open space areas of the Community was accomplished by Declarant as part of the original construction. The Association shall have the obligation to maintain such planting and the irrigation system on Lots having planted slopes in accordance with the City's Grading Ordinance.

- (c) Special Restrictions and Posting Requirements. As required by the City's conditions of approval for development of the Community, pets and other domestic animals shall be prohibited from entering onto the open space areas, including the Residential Landscape Easement Areas, on the Property and/or onto offsite revegetation areas. The Association shall post signage around the edges of such areas that explains the sensitivity of preserved habitats and that restricted access into these areas for essential activities only (e.g., habitat restoration, biological surveys, emergencies, shall be the only permitted access).

Section 2.12. Easements for Drainage System Maintenance. Easements over the Residential Landscape Easement Areas includes the easement for maintenance of terrace drains and catch basins serving such terrace drains, all of which such maintenance shall be the responsibility of the Association.

Section 2.13. Easement in Favor of Water District. There has been reserved, with the full right of assignment, a non-exclusive easement in favor of the Department of Water and Power, or its successor in interest, for ingress and egress, road and utility purposes over the future and public streets in this subdivision; provided, however, that any exercise of such rights pursuant to the easement shall be subject to the obligation of the user to repair any and all damage to Association Property, at that user's sole cost and expense, and the ancillary obligation to restore any disturbance to the Improvements within such easement to the pre-disturbance condition, also at that user's sole cost and expense.

ARTICLE 3: HOMEOWNERS ASSOCIATION

Section 3.1. Association Membership. The Cagney Ranch Estates Homeowners Association, Inc., a California Nonprofit Mutual Benefit Corporation, has been formed for the purpose of managing the Cagney Ranch Estates Community. The Owner of a Residential Lot shall automatically, upon becoming the Owner of same, be a Member of the Association and shall remain a Member thereof until such time as that Owner's ownership ceases for any reason, at which time that Owner's membership in the Association shall automatically cease. Membership shall be appurtenant to and may not be separated from ownership of any Residential Lot which is subject to Assessments.

Section 3.2. Association Maintenance Responsibility. Except as otherwise provided herein, the Association, acting through the Board and officers, shall have the sole and exclusive right and duty to maintain in a neat and orderly manner, manage, operate, control, repair, replace, or restore all of the Association Property (and Improvements thereon, including all fire hydrants). Such duty shall include the duty to maintain landscaping in a disease, weed, and litter-free condition at all times and to maintain the Residential Landscape Easement Areas with the type of landscaping required by the County, as such requirements may be amended from time to time.

Section 3.3. Additional Association Duties, Powers, and Limitations.

- (a) **General Duties and Powers.** In addition to rights, powers, and duties enumerated above, the Association shall have the obligation to do and perform the following general functions for the benefit of the Owners and for the maintenance and improvement of the Cagney Ranch Estates Community:
- (1) To operate and maintain the Association Property and all landscaped parkway areas immediately adjacent to the perimeter wall around the Cagney Ranch Estates Community, if any, or to provide for same through the services of a Manager, and, in the discretion of the Board, to keep Improvements of whatever kind and for whatever purpose from time to time located on the Association Property (including, without limitation, the slope maintenance areas depicted on Exhibit "C") in good order and repair; provided, however, exterior parkway areas and the exterior of the perimeter wall may be deleted from the Association's responsibilities if the maintenance obligation is accepted by the City, County, or any other public agency. The Association is also authorized to contract and pay for maintenance, gardening, utilities, materials, supplies, and services relating to said areas and to employ personnel necessary for the operation and maintenance of the same, including legal and accounting services.
 - (2) To contract for or provide (to the extent municipal services are not provided by a public authority) police and fire protection, sewage disposal, refuse disposal, street maintenance, and such other services, facilities, and maintenance of a public or quasi-public nature as may be deemed necessary or desirable for the effectuation of the purposes of this Declaration. In connection with any such facilities and services, the Association may contract with or assign its duties to any public authority, governmental body, or special district.
 - (3) To pay all real property taxes and assessments levied and which are or could become a lien upon any property conveyed, leased, or otherwise transferred to the Association to the extent not assessed to the Owners. Such taxes and assessments may be contested or compromised by the Association; provided, however, that such levies shall be either paid or a bond insuring the payment of such taxes shall be posted prior to the sale or other disposition of any property as a result of delinquent payment in such contested obligation.

- (4) To take such other action, whether or not expressly authorized herein, as may be reasonably necessary to enforce the provisions of the Association Rules and/or the Governing Documents.
- (b) Limitations and Restrictions. In addition to the limitations and restrictions enumerated in the Articles of Incorporation and Bylaws or elsewhere in this Declaration, and without limiting the generality thereof, the Board shall be prohibited from taking any of the following actions without the approval of a majority of a quorum of the votes of Members:
 - (1) enter into contracts for goods or services which have a term in excess of one (1) year, with the following exceptions:
 - (i) a contract with a public utility company if the rates charged for the materials or services are regulated by the Public Utilities Commission; provided, however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate;
 - (ii) prepaid casualty and/or liability insurance policies of not to exceed three (3) years duration, provided that the applicable policy permits short rate cancellation by the insured;
 - (iii) agreements for common area cable television services and equipment or satellite television services and equipment of not to exceed five (5) years duration;
 - (iv) agreements with a term not exceeding three (3) years that are terminable by the Association after no longer than one year without cause, penalty or other obligation upon ninety (90) days written notice of termination to the other party.
 - (2) sell any real or personal property of the Association with an aggregate fair market value in excess of five percent (5%) of the estimated Common Expenses during any accounting year;
 - (3) pay compensation to Directors or to officers of the Association for services performed in the conduct of the Association's business; provided, however, the Board may cause a Director or officer to be reimbursed for expenses incurred in carrying on the business of the Association;
 - (4) incur aggregate expenditures for capital improvements to the Association Property in any fiscal year of the Association in excess of five percent (5%) of the estimated Common Expenses of the Association for that fiscal year.
- (c) Adoption of Association Rules. The Association, through its Board of Directors, shall have the right to adopt and enforce the Association Rules, which shall not be inconsistent with the provisions contained in this Declaration, and to amend the same from time to time. Said Association Rules may relate to the use of the Association Property and any recreational and other facilities situated thereon by Owners and by their tenants or guests, and the conduct of such persons with respect to automobile parking, outside storage of boats, trailers, bicycles, and other objects, disposal of waste materials, drying of laundry, control of pets and other activities which, if not so regulated, might detract from the aesthetics and overall appearance of the Cagney Ranch Estates Community or offend or cause inconvenience or danger to persons residing or visiting therein. A copy of the Association Rules as adopted, amended, or repealed from time to time shall be mailed or otherwise delivered to each Owner in compliance with the relevant provisions of the California Civil Code. Upon such

adoption and mailing (or delivery), the Association Rules shall have the same force and effect as any other provision of this Declaration.

- (d) Transfer of Assets to Public Agency. The Association shall have the right to dedicate or transfer all or substantially all of its assets, including all or any part of the Association Property to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. Notwithstanding any contrary provision in the Articles or Bylaws, so long as there is any Residential Lot owned by an Owner, no such dedication or transfer shall be effective unless approval of sixty-seven percent (67%) of the Member(s) and, subject to any contrary provisions of Article 7, at least sixty-seven percent (67%) of the First Mortgagees of the Residential Lots agreeing to such dedication or transfer has been obtained.
- (e) Borrowing Money for Association Property Improvements. Subject to such limitations as are set forth herein, the Association shall have the right, subject to any limitations in the Articles and Bylaws, to borrow money for the purpose of improving the Association Property, and with the assent of sixty-seven percent (67%) of Members, may hypothecate any or all real or personal property owned by the Association.

Section 3.4. Right of Entry by Association. For the purpose of performing the maintenance hereinabove specified, or for any other purpose reasonably related to the performance by the Board of its responsibilities under this Declaration, the Association's agents or employees may exercise the rights of entry reserved in this Declaration; provided, however, there shall be no entry into a Residential Lot except in the case of an emergency without the Owner's written consent, which consent shall not be unreasonably withheld. Where there is an entrance into any Residential Lot, such entrance shall be made with as little inconvenience to the Owner as possible, and any damage caused shall be repaired by the Association at its expense.

Section 3.5. Transfer of Membership. The membership of an Owner shall not be transferred, pledged, or alienated in any way except upon transfer of interest to the Residential Lot and then only to the transferee of such interest. Any attempt to make a prohibited transfer shall be void.

Section 3.6. Voting Members.

- (a) Classes of Membership. The Association shall have one (1) class of voting membership. Members shall be all the Owners, and shall be entitled to one (1) vote for each Residential Lot owned. When more than one (1) person holds an interest in any Residential Lot, all such persons shall be Members. The vote for such Residential Lot shall be exercised as such Owners among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Residential Lot.
- (b) Approval of Action. Unless a contrary approval requirement is specifically provided herein, any action by the Association which requires approval of the membership shall require an affirmative vote or written assent of at least fifty percent plus one (50% + 1) of the Total Eligible Voting Power of the Association.

Section 3.7. Unit Voting Required. Each vote must be cast as a unit. Fractional votes are not allowed. If multiple Owners are unable to agree as to how a vote shall be cast, they shall lose their right to vote on the matter in question. If any Owner or Owners shall cast a vote representing a certain Residential Lot, it thereafter will be presumed conclusively for all purposes, unless contested in writing before the election, that such Owner was acting with the authority and consent of all other Owners of the same Residential Lot.

Section 3.8. Cumulative Voting. Cumulative voting is not permitted.

Section 3.9. Delegation of Power to the Board. In discharging their duties and responsibilities, the Board exercises the power of, acts on behalf of, and as representative for, the Association, which acts on

behalf of and as representative of the Owners, and no Board member shall be individually or personally liable or obligated for performance or failure of performance of such duties or responsibilities unless he fails to act in good faith. The Board may delegate its responsibility for the everyday management of the Cagney Ranch Estates Community to a Manager, if it so chooses. Notwithstanding such delegation, if a Manager is chosen to manage the Cagney Ranch Estates Community, it will be responsive to the dictates of the Board. Further, if a Manager is chosen to manage the Cagney Ranch Estates Community the Board shall only employ and delegate its responsibilities to a Manager that is a “certified common interest development manager” pursuant to California *Business and Professions Code* § 11502 et seq.

Section 3.10. Reserve Study. At least once in every three years, or more often as may be required by law, the Board shall cause a study of the reserve account requirements to be conducted. The Board shall review this study annually, shall consider and implement necessary adjustments to the Board’s analysis of the reserve account requirements as a result of such review, and shall modify the Budget in accordance with the findings of the reserve study. The study required by this Section shall at a minimum include:

- (a) Identification of the major components which the Association is obligated to repair, replace, restore, or maintain which, as of the date of the study, have a remaining useful life of less than thirty (30) years.
- (b) Identification of the probable remaining useful life of the major components identified in paragraph (a) as of the date of the study.
- (c) An estimate of the cost of repair, replacement, restoration, or maintenance of each major component identified in paragraph (a) during and at the end of its useful life.
- (d) An estimate of the total annual contribution necessary to defray the cost to repair, replace, restore, or maintain each major component during and at the end of its useful life, after subtracting total reserve funds as of the date of the study.

Section 3.11. Association Insurance. The Association shall continuously maintain in effect the following insurance:

- (a) The Association shall specifically obtain and maintain in force the following insurance coverage:
 - (1) In respect to all Improvements built on Association Property, if any (excluding noninsurable property, e.g., trees, shrubs, and foliage), fire insurance with an extended coverage endorsement insuring against fire and all other hazards that are normally covered by the standard extended coverage endorsement, as well as insuring against all other perils customarily covered by the “all risk” or “broad form” endorsements. Such policy or policies shall specifically include a full replacement cost coverage endorsement for all such Improvements, unless the Board finds that such coverage is not economically available. The master policy representing such insurance shall be carried in the name of the Association and a certificate of the master policy and a copy of the receipt for payment of the premium (or other satisfactory evidence of payment) shall be furnished to the Members at each renewal period. The terms of such insurance shall require at least thirty (30) days’ notice to the Members prior to cancellation or material change of such insurance.
 - (2) Commercial general liability coverage with bodily injury liability limits in accordance with the minimums required by the Civil Code but not less than One Million Dollars and .00/100 (\$1,000,000) per person and Three Million Dollars and .00/100 (\$3,000,000) per occurrence and property damage liability with limits of not less than Five Hundred Thousand Dollars and .00/100 (\$500,000) per occurrence, which policies shall indemnify the

Association against liabilities arising out of bodily injury, death, and property damage attributable to the activities of the Association or with respect to property under its jurisdiction.

- (3) Special liability insurance or a fidelity bond in an amount equal to one hundred fifty percent (150%) of the Association's annual assessments plus reserves, which names the Association as obligee and insures against loss by reason of the acts, including misuse and misappropriation of funds, of members of the Board, officers, employees of the Association, any Manager and its employees, and any other person handling funds of the Association, whether or not such persons are compensated for their services.
- (4) A policy insuring the Association's officers and directors against liability for their negligent acts or omissions while acting in their capacity as officers and directors. The limits of such insurance shall be in accordance with the Civil Code but not less than One Million Dollars and .00/100 (\$1,000,000) for all claims arising out of a single occurrence.
- (b) The Association shall purchase such other insurance, as is customary, necessary, and prudent, which may include but are not limited to, medical payments, malicious mischief and vandalism insurance, fidelity bonds and worker's compensation, and such other risks as shall customarily be covered with respect to projects of like construction, location, and use.
- (c) All insurance obtained pursuant to the requirements of this Article shall be maintained for the benefit of the Association and the Mortgagees, as their interests may appear as named insured, subject, however, to loss payment requirements as set forth herein.
- (d) All losses paid by a carrier shall be payable to the Association, which, in the case of damage to or destruction of Improvements to Association Property, will see to the replacement or repair thereof. If the cost of such replacement or repair shall exceed the insurance proceeds payable by reason of the loss, then for such Association Property Improvements the Board shall prorate the difference and assess it to all Owners. If the insurance proceeds received exceed the cost of replacement or repair, the excess shall be added to the Association funds.
- (e) All insurance shall be obtained from and carried with companies qualified to do business in California, and rated in a category associated with policy reserves of at least One Hundred Million Dollars (\$100,000,000.00), or better, in the then-current edition of Best's Key Rating Insurance Guide.
- (f) Insurance referred to above shall name as separately protected insureds, where applicable, the Association, the Board, and their representatives, the Members, and employees. Such policy or policies shall protect each of the insureds as if separately insured under separate policies; provided, however, that such policy or policies shall not require the insurers to pay any amount in excess of the maximum limits stated therein. As to each of said policies which will not be voided or impaired thereby, the Owners hereby waive and release all claims against the Association, the Board, other Owners, and agents and employees of each of the foregoing, with respect to any loss covered by such insurance, whether or not caused by negligence of or breach of any agreement by said persons, but only to the extent of insurance proceeds received in compensation for such loss, and each such policy shall contain a waiver of any "pro rata" clause, unless such waivers are prohibited by law or unavailable from insurers deemed qualified under this Declaration. The Association is appointed attorney-in-fact by each Owner to negotiate and agree on the value and extent of any loss under any policy carried pursuant to this Declaration, and is granted full right and authority to

compromise and settle any claim, to enforce the same by legal or equitable action, and to execute releases in favor of any insurer. The name of the insured under policies required by this Declaration must be set forth substantially as "Cagney Ranch Estates Homeowners Association, Inc., a California Non-Profit Mutual Benefit Corporation, for use and benefit of the individual owners."

- (g) The Association shall purchase and maintain in force at all times demolition insurance in adequate amounts to cover demolition in the event of destruction of Improvements on the Association Property in those instances where the Association elects not to rebuild. The premium therefor shall be paid out of the monies collected from the Assessments.
- (h) Each Owner may obtain insurance on that Owner's personal property and on all other property and improvements within that Owner's Residential Lot. Nothing herein shall preclude any Owner from carrying any public liability insurance as he may deem desirable to cover that Owner's individual liability for damages to person or property incurring inside that Owner's individual Residential Lot or elsewhere on the Cagney Ranch Estates Community. If obtainable, such liability insurance coverage carried by an Owner shall contain a waiver of subrogation of claims against the Association, the Board, and their agents and employees. Such Owners' policies shall not adversely affect or diminish any liability under insurance obtained by the Association. If any loss intended to be covered by insurance carried by the Association shall occur and the proceeds payable thereunder shall be reduced by reason of insurance carried by any Owner, such Owner shall assign the proceeds of such insurance carried by him to the Association to the extent of such reduction for application by the Association to the same purposes as the reduced proceeds are to be applied.
- (i) The Board shall determine annually whether the amounts and types of insurance it has obtained provide adequate coverage for the Property in light of increased construction costs, inflation, practice in the area in which the Property is located, or any other factor which tends to indicate that either additional insurance policies or increased coverage under existing policies are necessary or desirable to protect the interests of the Owners and of the Association. If the Board determines that increased coverage or additional insurance is appropriate, it shall obtain the same.

Section 3.12. Duty of Members. Each Member shall be obligated promptly, fully, and faithfully to comply with the provisions of this Declaration, of the Bylaws of the Association, of any Association Rules from time to time which may be adopted or amended by its officers or directors, as well as applicable Federal, State and Local laws, regulations and ordinances.

ARTICLE 4: COVENANT FOR MAINTENANCE ASSESSMENTS TO ASSOCIATION

Section 4.1. Regular and Special Assessments: Budget. The Association has the right and power to levy from time to time annual Regular Assessments and, as required, Special Assessments upon the Owners to meet annual operating and maintenance expenses, and to change from time to time the amount, installments, and/or frequency of payment thereof. The Board shall prepare an annual budget as required by law, in order to determine the amount of Regular Assessments or Special Assessments for the next fiscal year. Each Residential Lot shall be assessed separately for its share of such expenditures and all sums assessed in accordance with the provisions of this paragraph shall constitute a lien on each respective Residential Lot prior and superior to all other liens except (a) all taxes, bonds, assessments, and other levies which by law would be superior thereto and (b) the lien or charges of any First Mortgage made in good faith and for value. The Board shall take the following actions not less frequently than quarterly:

- (a) cause a current reconciliation of the Association's operating accounts to be made and review the same;
- (b) cause a current reconciliation of the Association's reserve accounts to be made and review the same;
- (c) review the current year's actual reserve revenues and expenses compared to the current year's Budget;
- (d) review the most current account statements prepared by the financial institution where the Association has its operating and reserve accounts; and
- (e) review an income and expenses statement for the Association's operating and reserve accounts.

Section 4.2. Special Assessments. In addition to the Regular Assessments authorized above, the Association may levy, on the same basis and in the same manner, an assessment ("**Special Assessment**") applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, or replacement of an improvement upon the Association Property, including fixtures and personal property related thereto. No Special Assessment shall be levied on a Residential Lot until Regular Assessments may be levied against that Residential Lot as permitted herein. A Special Assessment which in the aggregate is in excess of 5% of the budgeted gross expenses shall require Member approval of a majority of a quorum of the Members, quorum being more than 50%, in accordance with the Civil Code.

Section 4.3. Limitation on Increases: Recovery of Delinquencies. The Board may not impose a Regular Assessment that is more than twenty percent (20%) greater than the Regular Assessment for the Association's preceding fiscal year, or impose a Special Assessment which, in the aggregate, exceeds five percent (5%) of the budgeted gross expenses of the Association for that fiscal year, except upon the vote of a majority of a quorum of the Members, quorum being more than 50% of the Total Eligible Voting Power of the Association for purposes of this Section, in accordance with Civil Code Section 5605. The provisions of this paragraph do not limit Regular or Special Assessment increases for the following purposes:

- (a) An extraordinary expense required by a court order;
- (b) An extraordinary expense necessary to repair or maintain the common interest development or any part of it for which the Association is responsible where a threat to personal safety on the property is discovered; or
- (c) An extraordinary expense necessary to repair or maintain the common interest development or any part of it for which the Association is responsible that could not have been reasonably foreseen by the Board in preparing and distributing the pro forma operating budget under California Civil Code Section 5300 et. Seq.

Notice of assessment increases shall be mailed to Owners not less than thirty (30) nor more than sixty (60) days prior to such increased assessment becoming due, or as such notice regarding assessments may be required by the California Civil Code.

Section 4.4. Uniform Rate and Collection. Except as otherwise provided herein, both Regular and Special Assessments shall be fixed at a uniform rate for all Residential Lots and shall be collected on a monthly basis.

Section 4.5. Covenant for Payment and Establishment of Lien. Each Owner of any Residential Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (a) Regular Assessments, (b) Special Assessments, and (c) any other assessments, Reimbursement Demands, or Monetary Penalties levied pursuant to the provisions of this Declaration, such levies to be established and collected as herein provided. The Regular and Special Assessments, together with interest, late charges and other costs of collection as recited in this Declaration, together with reasonable attorney's fees incurred in such collection effort, shall be a charge on the Residential Lot and shall be a continuing lien upon the Residential Lot against which each such Assessment is made (but subordinate to certain Mortgages, as provided this Declaration), the lien to become effective upon recordation of a notice of delinquent assessment; provided, however, that as specified in this Declaration, a fine imposed by the Association as a disciplinary measure for failure of a Member to comply with the Governing Documents shall become a lien against the Residential Lot.

Section 4.6. Purpose of Assessments. The Regular and Special Assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of all the residents in the entire Cagney Ranch Estates Community and for the improvement and maintenance of the Association Property, and, to the extent herein provided, of the Residential Landscape Easement Areas.

Section 4.7. Commencement of Assessments. The Regular Assessments provided for herein shall commence as to all Residential Lots in a Phase of the Cagney Ranch Estates Community on the first (1st) day of the month following the conveyance of (i) the first Residential Lot of that annexed Phase to an Owner, or (ii) of the Association Property within that Phase, if any, to the Association, whichever shall first occur. The first Regular Assessment shall be adjusted pro rata according to the number of months remaining in the calendar year. The Board shall fix the amount of the Regular Assessment against each Residential Lot at least thirty (30) days in advance of each fiscal year of the Association. Written notice of the Regular Assessment amount as adopted for the next fiscal year shall be sent to every Owner subject thereto in compliance with the California Civil Code. The due dates for such notice shall be established by the Board.

Section 4.8. Reimbursement Assessment, Fines; Enforcement.

- (a) Reimbursement Assessment. The Association may levy a demand for payment ("**Reimbursement Assessment**") against any Member to reimburse the Association for any costs, including reasonable attorney's fees, incurred in bringing a Member and/or that Member's Residential Lot into compliance with the provisions of the Governing Documents and the Association Rules.
- (b) Fine. The Association may levy a fine in a reasonable and appropriate amount against any Member as a penalty for non-compliance with any of the provisions of this Declaration or the Association Rules, which non-compliance may be attributable to such Member, the Member's family, guests, licensees, invitees, tenants, or other persons with a business or social relationship to such Member.
- (c) Special Enforcement. Each Reimbursement Assessment, fine, or other permitted sanction levied pursuant to this Declaration or the Bylaws may be levied upon a majority affirmative vote of the Board after notice and an opportunity for a hearing which satisfies the requirements of the California Civil Code, and shall be a separate,

distinct, and personal debt and obligation of the Owner against whom the same is levied. In the event of a default in payment of any such assessment, fine or sanction, and in addition to any other remedies herein or by law provided, the Association may bring a suit at law to enforce each such obligation. Any judgment rendered in any such action shall include the late charge, if any, and interest provided in this Declaration along with a sum for reasonable attorney's fees in such amount as the court may adjudge against the defaulting Owner.

- (d) Not a Lien. A fine may not become a lien against the Residential Lot and specifically shall not be enforceable by a sale of the interest in accordance with the provisions of California Civil Code Sections 2924, et seq.

Section 4.9. Enforcement of Payments.

- (a) Collection by Suit. In addition to the lien established pursuant to Section 4.5, each Regular Assessment and Special Assessment shall be a separate, distinct, and personal debt and obligation of the Owner against whom the same is levied. Regular and Special Assessments, as well as Reimbursement Demands and Monetary Penalties, are delinquent fifteen (15) days after they become due. If payment of a Regular Assessment, Special Assessment, Reimbursement Demand or Monetary Penalty becomes delinquent, the Association may bring an action against the delinquent Owner to recover all of the following:
 - (1) Reasonable costs incurred in collecting the delinquent obligation, including reasonable attorneys' fees;
 - (2) A late charge not exceeding ten percent (10%) of the delinquent obligation or ten dollars (\$10), whichever is greater;
 - (3) Interest on all sums imposed in accordance with this Section, including the delinquent obligation, reasonable costs of collection, and late charges, at an annual percentage rate not to exceed the lesser of the maximum annual interest permitted by law or twelve percent (12%), commencing thirty (30) days after the obligation becomes due.
- (b) Foreclosure of Lien. In the event of a default in payment of any Regular Assessment or Special Assessment, and in addition to any other remedies herein or by law provided, the Association may enforce each such obligation by either or both of the following procedures as may be applicable:
 - (1) At any time after delinquency of a Regular or Special Assessment, as set forth above, the Association may make a demand to the defaulting Owner for payment, which demand shall state the date and amount of delinquency. If the delinquency is not paid within fifteen (15) days after delivery of the notice, the Association may elect to file a claim of lien against the Residential Lot of such delinquent Owner. Each default shall constitute a separate basis for a claim of lien or a lien, but any number of defaults may be included within a single claim of lien. The claim of lien shall state:
 - (i) The name of the delinquent Owner, the name of the trustee empowered to foreclose such lien in favor of the Association, and that such foreclosure sale shall proceed pursuant to Sections 2924, 2924(b), and 2924(c) of the California Civil Code or as otherwise provided by law;
 - (ii) The legal description and street address of the property against which the claim of lien is made;
 - (iii) The amount claimed to be due and owing (including the portion of the lien amount attributable to costs of collection pursuant to this

Declaration but giving credit to any proper offset allowed) which shall include interest from the due date at the rate set forth above, or the maximum rate permitted by law, whichever is lesser;

- (iv) That the claim of lien is made by the Association pursuant to the terms of this Declaration;
 - (v) That a lien is claimed against the Residential Lot in an amount equal to the amount of the stated delinquency. Upon recordation of such claim of lien by the Recorder of Los Angeles County, the lien immediately shall attach and become effective, subject only to the limitations hereinafter set forth; and
 - (vi) Any such lien may be foreclosed by appropriate action in court or in the manner provided by law for the foreclosure of a trust deed. If foreclosure is by action in court, reasonable attorneys' fees shall be allowed to the extent permitted by law. If the foreclosure is in the manner provided by law for foreclosure of a trust deed under power of sale, the Association shall be entitled to actual expenses and such fees as may be allowed by law or as may be prevailing at the time the sale is conducted. In any such foreclosure, the Owner shall be required to pay a reasonable rental for the Residential Lot to the Association for the cost of Regular and/or Special Assessments, subsequent to the foreclosure sale, and the Association or its nominee may bring an action therefor. The Association acting on behalf of the Owners shall have the power to bid the amount owed as a credit bid at foreclosure and to acquire, hold, resell, lease, mortgage, and convey the foreclosed-upon interest.
- (2) Suit to recover a money judgment for unpaid Common Expenses, rent, and attorneys' fees shall be maintainable without foreclosure or waiving of the lien securing the same.

- (c) Suspension of Privileges. The Board may suspend the voting rights and/or the right to use any recreational facilities or amenities in the Association Property, if any, by any Owner for any period during which a Regular Assessment, a Special Assessment, a Reimbursement Assessment, or fine authorized by this Declaration or the Bylaws shall remain delinquent; provided, except by judgment of a court, award from a reference or arbitration, and/or resulting from a foreclosure action the Association shall not cause a forfeiture or abridgement of an Owner's right of full use and enjoyment of that Owner's Residence.

Section 4.10. No Exception from Assessment. No Owner is or may be exempt from personal liability for that Owner's contribution towards the expenses of the Association by waiver of the use of, or enjoyment of any of the Association Property, or by the abandonment of that Owner's Residential Lot.

Section 4.11. Assessments Include Reserves.

- (a) General. The Regular Assessments shall include reasonable amounts, as determined by the Association and as set forth in the Budget, collected as reserves for the future periodic maintenance, repair, or replacement of all or a portion of the Association Property Improvements or any other purpose as determined by the Association.
- (b) Administration. All amounts collected as reserves shall be deposited by the Board in a separate bank account to be held in trust for the purposes for which they are collected and are to be segregated from and not commingled with any other funds of the Association. The Board shall not expend funds designated as reserve funds for any

purpose other than those purposes for which they were collected. Withdrawal of funds from the Association's reserve account shall require the signatures of either (a) two (2) members of the Board; or (b) one (1) member of the Board and an officer of the Association who is not also a member of the Board.

ARTICLE 5: USE RESTRICTIONS

Section 5.1. Covenant Against Partition; Residential Use.

- (a) **Unified Interest.** Membership in the Association and any easement rights conveyed therewith shall not be separated or separately conveyed, and each membership and easement right shall be deemed to be conveyed with its respective Residential Lot even though the description in the instrument of conveyance or encumbrance may refer only to the Residential Lot; provided, however, that this restriction upon the severability of interests shall not extend beyond the period for which the right to partition the membership, easement rights and/or Association Property is suspended in accordance with law.
- (b) **Private Dwelling Restriction; Home Occupation.** 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. Notwithstanding the foregoing, professional or administrative occupations or similar home office use may be conducted within a Residential Lot so long as said use is in compliance with the Association's Home Occupation Policy attached hereto and made a part of this Declaration as Exhibit "D" and the Owner has submitted the required Home Occupation Application and Indemnification Agreement, obtained from the Secretary or Association Manager, and the Board has approved same.
- (c) **No Further Subdivision.** Except as expressly authorized in a Supplemental Declaration, no Association Property or Residential Lot in the Community may be further subdivided (including division into time-share estates or time-share uses) without the prior written approval of the Board; provided, however, that nothing in this Section shall be deemed to prevent an Owner from, or require the approval of the Board for (a) selling a Residential Lot; or (b) transferring or selling any Residential Lot to more than one (1) Person to be held by them as tenants in common, joint tenants, tenants by the entirety or as community property; or (c) the leasing or renting by any Owner of all his Residential Lot, provided that any such lease or rental shall be subject to this Declaration.

Section 5.2. Association Property Alterations. No Owner of a Residential Lot shall make any alteration to the Association Property or Improvements or remove, plant or replace any landscaping, planting, structure, furnishings, or other object within the Association Property except with the written consent of the Board.

Section 5.3. Nuisance. No noxious, offensive, or illegal activity shall be carried on upon any portion of the Association Property, nor may anything be done thereon which may be or may become an annoyance or nuisance to the Cagney Ranch Estates Community. No Residential Lot shall be used in such manner as to obstruct or interfere with the enjoyment of occupants of other Residential Lots or with the use or enjoyment by any permitted person of the Association Property. No Owner shall create annoyances by making or permitting unreasonable noise (including an unreasonable number of house or car security system false alarms), nor shall any nuisance be committed or permitted to occur within any portion of the Property.

Section 5.4. Commercial Sign Restrictions. 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 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 Committee as to form and location, advertising a particular Residential Lot for sale or rent; provided, however, this provision shall not be

construed to permit a sign within the Cagney Ranch Estates Community in violation of regulations of the City or County, or to permit a sign within an Owner's Residential Lot and visible from the exterior other than of reasonable dimensions and design and in compliance with the Association Rules. 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.

Section 5.5. Aesthetics.

- (a) Antennas, Solar Panels, Etc. No antenna for radio reception or transmission, no solar equipment, and no air conditioning unit or other appliance or apparatus, or other like item shall be placed within the Cagney Ranch Estates Community so as to be visible from the Association Property or an adjacent Residential Lot, except upon approval of the Architectural Control Committee in accordance with this Declaration, rules and regulations as may be adopted from time to time by the Board of Directors, or as authorized by law. This Section is intended to apply to "dish" antennas that are one meter (39.37") or less in diameter and designed to receive direct broadcast satellite service, including direct-to-home satellite service, or to receive or transmit fixed wireless signals via satellite, to the full extent permitted by California Civil Code Section 4725 or other applicable law. Any approval granted to Owners for installation of an antenna, solar energy equipment, air conditioning unit or other appliance or apparatus, or other like item on Association Property shall be subject to an agreement of reimbursement or indemnity, satisfactory to the Committee, executed by the installer of such device and protecting the Association and its Members from loss or damage caused by the installation, maintenance, or use of same.
- (b) Woodpiles, Clotheslines, Etc. Woodpiles, storage areas, mulch piles, and outdoor clotheslines are prohibited unless obscured from view from persons located on Association Property or on an adjacent Residential Lot by a fence or appropriate screen approved by the Committee.
- (c) Maintenance of Structures, Walls, and Fences. All structures, walls, and fences open to public view shall remain free of extraneous markings, drawings, or signage not authorized by the Los Angeles County Code, City of Los Angeles Municipal Code and/or this Declaration. In the event of such extraneous markings occurring, the Owner of the Residential Lot within which such markings are located (or, if such markings are within the Association Property, then the Association) shall remove or cover said markings, drawings, or signage no later than seventy-two (72) hours after occurring. The only exception to this requirement shall be seasonal decorations.

Section 5.6. 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. No type of motor vehicle, whatsoever, operative or inoperative, which is otherwise permitted by the terms of this Declaration, may be used as a temporary or permanent residence anywhere within the boundaries of the Property.

Section 5.7. Vehicles and Parking. Subject to more stringent provisions which may be included in the Association Rules, none of the following (collectively "**Prohibited Vehicles**") shall be parked, stored, or kept on any street (public or private) within the Community for longer than eight (8) hours in any twenty-four (24)-hour period, except in areas designated by the Board, if any: any commercial type vehicle (including, but not limited to, any dump truck, cement mixer truck, oil or gas truck, or delivery

truck); any recreational vehicle over 1,500 pounds (including, but not limited to, any camper unit or motor home); any bus, trailer, trailer coach, camp trailer, boat, aircraft, or mobile home; any vehicle not in operating condition or other similar vehicle; any vehicle with a width in excess of eighty-four (84) inches; any trash dumpster; or any vehicle or equipment, mobile or otherwise, deemed to be a nuisance by the Board.

No Prohibited Vehicle shall be parked, stored, or kept on any Residential Lot or Association Property except wholly within an enclosed garage, and then only if the garage door is capable of being fully closed. Prohibited Vehicles shall not be allowed in any driveway or other exposed parking areas, nor any street (public or private) within the Community, except for the purpose of loading, unloading, making deliveries, or emergency repairs.

Vehicles (that include, without limitation, cars, trucks, SUVs, crossover SUVs, motorcycles, mopeds, ATVs, and other such motorized personal transportation) owned, operated, or within the control of an Owner, or of a resident of such Owner's Residential Lot, shall be parked in the 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.

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, constitutes a nuisance, violates this Declaration, or otherwise creates a safety hazard. Vehicles owned or controlled by an Owner (which, for purposes of this paragraph, includes all residents at such Owner's Residential Lot, and tenants and guests of such Owner) may only be parked on Association Property or any public or private street if (i) such Owner's garage does not have sufficient room to park such vehicles and (ii) such Owner's driveway does not have sufficient room to park additional vehicles. In no event may an Owner park any vehicles on the opposite side of the street from such Owner's house or in front of another Owner's Residential Lot.

An Owner's driveway may not be obstructed by toys, bins, boxes, crates, cages, construction materials, sports or construction equipment, or anything other than Owner's authorized vehicles, except as otherwise permitted by this Declaration.

Garage doors shall be kept closed at all times, except as reasonably required for ingress to and egress from the interiors of the garages.

No automobile overhaul or repair work other than that of an emergency nature shall be permitted within the Cagney Ranch Estates Community. No painting, ongoing maintenance, nor restorations of any motor vehicle, boat, trailer, aircraft, or other vehicle or equipment shall be conducted upon any street (public or private), any portion of any Association Property, Residential Lot, or elsewhere within the Community, except wholly within an enclosed garage; provided, however, that such activity within an enclosed garage may not be undertaken as a business, and provided further that such activity may be prohibited entirely if it is determined by the Board to be a nuisance.

Except in accordance with the restrictions of the foregoing paragraph, no inoperative vehicles or abandoned vehicles may be parked in any location on the Property.

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) while in the Cagney Ranch Estates Community. No vehicle may produce excessive noise, noxious exhaust smells, or other unacceptable emanations that disturb the peace, quiet enjoyment, and/or health of the Cagney Ranch Estates Community.

The Board shall determine, in its discretion, whether there is noncompliance with the parking and vehicular restrictions contained herein. These restrictions shall not be interpreted in such a manner so as to permit any activity which would be contrary to any ordinance of the City, County, and State.

Section 5.8. Power Equipment Restriction. No electrical (including power equipment) or electronic device which may unreasonably interfere with television (or other electronic device) reception or generates noise discernible outside the Residential Lot where it is being operated, hobby shops, or carpenter shops shall be maintained within the Cagney Ranch Estates Community except with the prior approval of the Committee.

Section 5.9. Owner's Liability for Damage.

- (a) Association Property. The Owner of each Residential Lot shall be liable to the Association for all damage to the Association Property or to any Improvements thereon or thereto caused by such Owner, that Owner's guest, or any occupant, temporary, or permanent, of such Owner's Residential Lot; such liability shall be subject to enforcement by either a Reimbursement Demand or Monetary Penalty, as may be appropriate.
- (b) Private Improvements. Each Owner of Residential Lot shall be liable for damage attributable to him with respect to Improvements within Residential Landscape Easement Area(s) of other Owners.

Section 5.10. Association Rules to Govern Use. No activity shall be carried on in the Cagney Ranch Estates Community which shall be contrary to the Association Rules.

Section 5.11. Mining Restriction. No derrick or other structure designed for use in boring, mining, or quarrying for oil, minerals, natural gas, or precious metals shall ever be erected, maintained, or permitted upon the surface of the Association Property of the Cagney Ranch Estates Community, nor shall any boring, mining, quarrying or similar operations be performed within five hundred (500) feet of the surface; except, however, that use by the Association of any geothermal energy source shall not be prohibited by this paragraph.

Section 5.12. Pet Restriction. 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. No pets shall be allowed to make an unreasonable amount of noise or otherwise to become a nuisance, such as an Owner's dog(s) barking outdoors between the hours of 9:00pm and 8:30am Los Angeles time or regularly barking during the day. No exterior structure for the care, housing, or confinement of any such pets shall be allowed on the Association Property (including the Residential Landscape Easement Area(s)). The Board shall have the right to require the removal of any pet which, in the Board's opinion, constitutes a nuisance or unreasonable annoyance.

Section 5.13. Prohibition Against Institutional Use. 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 kindred nature.

Section 5.14. Trash Handling and Storage Restriction. All rubbish and trash storage facilities, including garbage cans, shall be kept screened and concealed from view. All rubbish, trash, garbage or other waste shall be regularly removed from each Residential Lot and deposited by the Owner only in designated trash collection areas. No portion of the Property shall be used for the deposit or storage of building materials, other than in connection with approved construction. No shrub or tree clippings, plant waste, scrap, refuse, or trash shall be kept, stored, or allowed to accumulate on the Association Property.

Trash bins provided to an Owner by the City or by the waste management company servicing the Community shall not be placed in view from the Association Property any earlier than 5:00 p.m. Los Angeles time on the evening preceding the day designated for trash pickup ("**Trash Day**"). The Owner shall return said bins to their concealed location no later than 10:00 p.m. Los Angeles time on Trash Day. An Owner shall not place a trash bin in view from the Association Property that is overfilled to the point that the lid does not close completely.

- (a) In the event that moderate winds are occurring or predicted between 5:00 p.m. Los Angeles time on the day before Trash Day and 10:00 p.m. Los Angeles time on Trash Day, no Owner shall place his/her trash bins out for pickup until 5:30am Los Angeles time on Trash Day.
- (b) In the event that high winds are occurring or predicted between 5:00 p.m. Los Angeles time on the day before Trash Day and 10:00 p.m. Los Angeles time on Trash Day, no Owner shall place any of his/her colored trash bins out for pickup until the respective garbage truck for that color of bin has entered the Community. The Owner shall return said bin to its concealed location promptly following pickup of trash from said bin. Each Owner is responsible for any damage done to the Community or to another Residential Lot by such Owner's trash bins or rubbish blowing around and/or down any street in the wind.

An Owner may place an unsightly or unusually large object out on Trash Day if the Owner has scheduled with the garbage removal service a special pickup for that object (i.e., an old couch, a broken chair, excess building materials, a dead tree, etc.).

Section 5.15. Line of Sight Obstructions Prohibited. No fence, hedge, or shrub 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 public 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.

Section 5.16. Landscape Maintenance and Installation.

- (a) **Owner's Duty of Maintenance of the Residential Landscape Area(s).** If adequate landscaping has not already been installed in a Residential Lot by the Owner, the Owner shall submit to the Architectural Control Committee a landscaping plan for approval per Section 6.2 of this Declaration within one hundred fifty (150) days after the close of escrow with respect to the sale of such Residential Lot. Within three hundred (300) days after the Architectural Control Committee's approval of said plan, the Owner shall have installed and shall thereafter maintain grass, plants, shrubs, trees, hardscaping, and/or any other appropriate landscaping improvements, pursuant to plans and specifications approved by the Committee, on those portions of the Owner's Residential Lot which are visible from any street (public or private), Association Property, or any adjacent Residential Lot.

No portion of a Residence or the Residential Lot landscaping viewable from the Association Property or an adjacent Residential Lot shall be permitted by the respective Owner to fall into disrepair or lack adequate landscaping. 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 its Owner, and, where applicable, adequately painted or otherwise finished. No portion of Improvements on a Residential Lot, however, shall be painted or repainted other than its original colors until the new color scheme shall have been approved by the Committee. Owners shall cooperate in any repainting so as to maintain the good condition, uniformity, and architectural integrity of the Residences. Exterior maintenance of the Residence and all Improvements located upon the Residential Lot, and the interior of all Residences, shall be the financial responsibility of the Owner and

shall include, but not be limited to: repair, refinishing, replacement, and/or periodic maintenance of trim, exterior balcony and/or patio surfaces, garage doors, exterior plantings, and any aluminum or iron fences around the perimeter of any Residential Lot. No landscaping, landscape maintenance, construction, nor other potentially loud or disruptive activities may occur on an Owner's Residential Lot before 9:00 a.m. Los Angeles time on any Saturday or Sunday.

If an Owner fails to install and maintain landscaping in conformance with the Architectural Control Committee rules, or shall allow his/her Residential Lot or landscaping to deteriorate to a dangerous, unsafe, unsightly, or unattractive condition, the Board, upon thirty (30) days' prior written notice to such Owner, shall have the right to seek any remedies at law or in equity which it may have and, after notice and hearing, to correct such condition and to enter upon such Owner's property for the purpose of doing so, and such Owner shall promptly reimburse the Association for the cost thereof. Such cost shall be a Special Assessment enforceable in the manner as set forth in the Declaration.

In order to preserve and perpetuate the attractive, consistent, and uniform appearance of the community's landscaping that is visible from and adjacent to Longacre Avenue, the Association may assume maintenance of certain slopes and planters; provided, however, that the Owners of such, in their sole and absolute discretion, agree to this arrangement. Any such arrangement shall be memorialized in writing, signed by the Association and the Owner.

- (b) Temporary Exemptions During Landscaping Installation. During the period of time during which the major portion of landscaping installation is occurring on an Owner's Residential Lot, such Owner may be exempt from certain provisions of this Article 5, upon approval of the Board, during the normal course of landscaping installation between the hours of 7:00 a.m. and 6:00 p.m. Los Angeles time Monday through Friday, and between the hours of 9:00 a.m. and 6:00 p.m. Los Angeles time Saturday through Sunday, such as noise from saws, hammers, jackhammers, heavy machinery, large vehicles delivering material and/or equipment, and construction workers' voices.

Section 5.17. Windows. Windows may not be covered in any manner with any materials including, without limitation, metal foil, newspaper, reflective tint, stickers, or paint; provided, however, that customary window treatments shall be permitted.

Section 5.18. Damage, Destruction, Condemnation to Private Improvements. In the event of damage to or destruction of any Residence, the Owner shall reconstruct the same or demolish the damaged or destroyed Improvements within a reasonable time after the damage or destruction shall have occurred. If reconstruction is not to be undertaken within a reasonable time after such damage or destruction shall have occurred, then following the demolition of the remaining Improvements the Owner shall plant suitable landscaping (and thereafter maintain the same) as soon as reasonably practicable. In the event of any taking of all or any portion of a Residential Lot, the Owner (and such Owner's Mortgagees as their interests may appear) shall be entitled to receive the award for such taking. If the taking affected all of the Residential Lot, then after acceptance of such condemnation proceeds the Owner and the Owner's Mortgagee shall be divested of all further interest in the membership in the Association.

Section 5.19. Enforcement.

- (a) General. The provisions of this Article 5 may be enforced by the Association or any Owner by judicial action or by any other mechanism for enforcement set forth in this Declaration, and such enforcement may include the imposition of sanctions as set forth in Section 4.8, which are agreed to be an appropriate, but not necessarily exclusive, remedy.

- (b) Statutory Provision for Enforcement by Way of Declaratory or Injunctive Relief. Unless the applicable time limitation for commencing the action would run within 120 days, prior to the filing of a civil action by either the Association or any Owner solely for declaratory relief or injunctive relief, or for monetary damages, other than Association assessments, not in excess of five thousand dollars (\$5,000), related to the enforcement of the Governing Documents, the parties shall endeavor to submit their dispute to a form of alternative dispute resolution such as mediation or arbitration, and in all respects comply with the requirements of Civil Code Section 5925 et. seq. Unless otherwise agreed by the parties, the "Arbitration" provisions in Section 9.10 of this Declaration shall apply to such dispute resolution procedure.

ARTICLE 6: ARCHITECTURAL CONTROL AND APPROVAL OF PLANS

Section 6.1. Architectural Control Committee. An Architectural Control Committee (hereinafter sometimes referred to as the “**Committee**” or “**ACC**”) shall be established by the Association and shall be comprised of at least three (3) but no more than five (5) members, some or all of whom may be members of the Board concurrently. All members of the Committee shall be appointed by the Board. Members appointed to the Committee by the Board shall be from the Membership of the Association.

Section 6.2. Prior Approval Required. Before commencing any building, remodeling, or renovation operations or activities, an Owner must obtain written approval from the ACC, or the Board if no ACC has been established, for all Improvements erected, altered, renovated, remodeled, placed, assembled, or permitted to remain on a Residential Lot (including any applicable Residential Landscape Easement Area), including patio covers, decks, garage doors, gazebos, shades, awnings, skylights, water softening or refining fixtures or systems, and trees or other landscaping which will grow to a height in excess of fifteen feet; however, approval shall not be required for building operations conducted by Association. Approval shall include compatibility of scale, design, appearance, harmony of external design, including color scheme, with general development scheme, location of the proposed Improvements with respect to topography and finish grade elevation, but except as provided elsewhere in this Article, the Committee shall have no authority with respect to modifying, altering, or waiving any of the provisions herein set out or established by law. The approval of any building, remodeling, renovation, or landscaping by the Committee shall be in effect for three hundred (300) days, and only for the specific architectural plans submitted by the Owner. Any material alterations or additions to the original architectural plans require a new written approval from the Committee before being implemented. Any necessary construction that will occur after two hundred seventy (270) days from the day the Owner received the initial approval from the Committee pursuant to Section 6.4 will require a new approval from the Committee before construction can continue.

Section 6.3. No Liability of Committee. Neither the Committee nor the Board, nor any member thereof shall be held responsible or liable in any manner whatsoever to any Owner for any loss or damage due to design concepts, aesthetics, errors or defects, patent or latent, shown or omitted, on any plans or specifications upon which it may pass, or any Improvements erected therefrom. Each Owner shall be solely responsible for any violation of this Declaration or any applicable instrument, law or regulation caused by an Improvement made by such Owner, even though same is approved by the Committee. Plans and specifications shall be approved by the Committee as to style, exterior design, appearance, and location, and are not approved for engineering design or for compliance with zoning and building ordinances, easements, deed restrictions and other rights and obligations affecting the Property. By approving such plans and specifications neither the Committee, the members thereof, the Association, the Members, nor the Board assumes liability or responsibility therefor, or for any defect in any structure constructed from such plans and specifications.

Section 6.4. Committee Action Final. The Committee shall respond to an application within thirty (30) days from the date of receipt of a submittal. Failure by the Committee to respond within such period shall constitute approval of such application. This 30-day deadline shall apply only if the application is deemed complete when submitted. Failure to submit a complete application shall be deemed no submittal at all. Any decision or approval by the Committee shall not relieve an applicant or Owner from complying with any requirement of the City or County Building Department or a public authority having jurisdiction, and shall not constitute any representation or guaranty by the Committee or a member thereof of compliance of the submitted matter with any statute, ordinance, or regulation pertaining thereto.

Section 6.5. Variance May Be Allowed. The Committee may allow reasonable variances and adjustments of the provisions of development standards applicable to the Cagney Ranch Estates Community, as such standards may be established by the Board, the Committee, or this Declaration, 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 hereof,

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 Cagney Ranch Estates Community.

Section 6.6. Architectural Guidelines. The Board shall have the right to establish and adopt Architectural Guidelines which shall be enforced in the same manner as the Association Rules against all Owners and Members. Said Architectural Guidelines shall be distributed to the membership in accordance with the notice provisions pertaining to "Rules and Regulations" of the California Civil Code.

Section 6.7 Conflicting Governmental Action. In the event there shall be any law or governmental action of any kind or nature which conflicts with or prevents works of construction or improvement in the manner described by these provisions, such circumstances shall be deemed to supersede any Committee approvals otherwise operative pursuant to the provisions of this Article.

ARTICLE 7: FIRST LIEN HOLDERS' RIGHTS

Section 7.1. Rights Upon Foreclosure. No breach of the provisions herein contained nor enforcement of any lien provisions herein, shall defeat or render invalid the lien of any First Mortgage made in good faith and for value, but all of said provisions shall be binding on and effective against any Owner whose title is derived through foreclosure, trustee's sale, or otherwise. The lien of the Assessments provided for herein shall be subordinate to the lien of any First Mortgage upon any Residential Lot. Sale or transfer of any Residential Lot shall not affect the Assessment lien; however, the sale or transfer of any Residential Lot pursuant to judicial or nonjudicial foreclosure of a First Mortgage shall extinguish the lien of such Assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Residential Lot from lien rights for any Assessments thereafter becoming due. Where the Mortgagee of a First Mortgage of record or other purchaser of a Residential Lot obtains title to the same pursuant to the remedies provided in the Mortgage, or as a result of foreclosure, such acquirer of title, its successors, and assigns, shall not be liable for the share of the Common Expenses, dues, charges, or Assessments by the Association chargeable to such Residential Lot which became due prior to the acquisition of title to such Residential Lot by such acquirer. Delinquent Assessments extinguished pursuant to this paragraph shall be reallocated and assessed to all Residential Lot(s) as a Common Expense.

Section 7.2. Notice to Mortgagees. Upon giving notice as provided in this paragraph, a First Mortgage holder, insurer, or guarantor shall become an "eligible" First Mortgage holder, insurer, or guarantor ("**Eligible Holder**") for purposes of receiving notice as provided by this Article 7. Upon written request to the Association, identifying the name and address of the requestor and the Residential Lot(s) number or address, any such First Mortgage holder, insurer, or guarantor will be an Eligible Holder entitled to timely written notice of:

- (a) Any condemnation loss or any casualty loss which affects a material portion of the Cagney Ranch Estates Community or any Residential Lot(s) on which there is a First Mortgage held, insured, or guaranteed by such Eligible Holder;
- (b) Any default in the performance of any obligation under the Governing Documents, including any delinquency in the payment of Assessments or charges owed, by an Owner of a Residential Lot(s) subject to a First Mortgage held, insured, or guaranteed by such Eligible Holder, which remains uncured for a period of sixty (60) days;
- (c) Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association;
- (d) Any proposed termination of the Cagney Ranch Estates Community;
- (e) Any proposed amendment of the Governing Documents effecting a change in:
 - (1) the boundaries of any Residential Lot or any exclusive easement rights pertaining thereto,
 - (2) the interests in the general or limited common elements appertaining to any Residential Lot or the liability for Common Expenses appertaining thereto,
 - (3) the number of votes in the Association appertaining to any Residential Lot, or
 - (4) the purposes to which any Residential Lot or the Association Property are restricted.
- (f) Any proposed action which would require the consent of a specified percentage of Eligible Holders as specified in the following Section.

Section 7.3. Mortgagees' Right to Approve: Association Responsibilities.

- (a) Certain Rights of Approval. Any restoration or repair of the Cagney Ranch Estates Community after a partial condemnation or damage due to an insurable hazard, or

liquidation upon termination of the Cagney Ranch Estates Community as a planned development project, shall be managed by the Association as representative of the Owners and performed substantially in accordance with the Declaration and the original plans and specifications, unless other action is approved by Owners of Residential Lot(s) to which at least sixty-seven percent (67%) of the votes in the Association are allocated and the approval of Eligible Holders representing at least fifty percent plus one (50% + 1) of the votes of Residential Lot(s) subject to Mortgages held by such Eligible Holders. Each Owner grants the Association an irrevocable power of attorney as attorney-in-fact for each such Owner to receive and administer available proceeds from insurance, condemnation or other sources related to condemnation, destruction or liquidation of all or a part of the Cagney Ranch Estates Community for the benefit of the Owners and Mortgagees, to administer such funds as required to implement the intent of this Section, and, as applicable, to terminate the planned development project and/or sell Association Property if required pursuant to provisions of this Declaration.

- (b) Certain Elections. Any election to terminate the legal status of the Cagney Ranch Estates Community after substantial destruction or a substantial taking in condemnation of the Property shall require the approval of Owners of Residential Lot(s) to which at least sixty-seven percent (67%) of the votes in the Association are allocated and the approval of Eligible Holders representing at least fifty percent plus one (50% + 1) of the votes of Residential Lot(s) subject to Mortgages held by such Eligible Holders.
- (c) Reallocation of Interests. Unless the formula for reallocation of interests in the Association Property after a partial condemnation or partial destruction of the Cagney Ranch Estates Community is fixed by law, no reallocation of interests in the Association Property resulting from a partial condemnation or partial destruction of such Cagney Ranch Estates Community may be effected without the prior approval of Owners of Residential Lot(s) to which at least sixty-seven percent (67%) of the votes in the Association are allocated and the approval of Eligible Holders representing at least fifty percent plus one (50% + 1) of the votes of Residential Lot(s) subject to Mortgages held by such Eligible Holders.
- (d) Concerning Professional Management. When professional management has been previously implemented by the Association or required by any Eligible Holder, whether such entity became an Eligible Holder at that time or later, any decision to establish self-management by the Association shall require the prior consent of Owners of Residential Lot(s) to which at least sixty-seven percent (67%) of the votes in the Association are allocated but shall not require the approval of Eligible Holders.

Section 7.4. Mortgagee Approval of Cagney Ranch Estates Community Changes. The following provisions do not apply to amendments to the Governing Documents or termination of the Cagney Ranch Estates Community status made as a result of destruction, damage, or condemnation, or to a reallocation of interests in the Association Property which might occur pursuant to any plan of expansion or phased development contained in the original Governing Documents:

- (a) In addition to the consent of Owners of Residential Lots to which at least sixty-seven percent (67%) of the votes in the Association are allocated, the approval of Eligible Holders holding at least sixty-seven percent (67%) of the votes of Residential Lot(s) subject to Mortgages held by such Eligible Holders shall be required to terminate the legal status of the Cagney Ranch Estates Community as a planned development project.
- (b) In addition to the consent of the Owners of Residential Lots to which at least sixty-seven percent (67%) of the votes in the Association are allocated, the approval of

Eligible Holders of at least fifty percent plus one (50% + 1) of the votes of Residential Lot(s) subject to Mortgages held by such Eligible Holders shall be required to add or amend any material provisions of the Governing Documents. Material provisions are defined to be those which establish, provide for, govern, or regulate any of the following:

- (1) Voting;
 - (2) Assessments, Assessment liens, or subordination of such liens;
 - (3) Reserves for maintenance, repair, and replacement of the Association Property or Improvements made to either, if applicable;
 - (4) Insurance or fidelity bonds;
 - (5) Rights to use of the Association Property;
 - (6) Responsibility for maintenance, repair and/or reconstruction, including restoration or repair of the Improvements in a manner other than pursuant to the original specifications and design, with respect to the several portions of the Cagney Ranch Estates Community;
 - (7) Expansion or contraction of the Cagney Ranch Estates Community or the addition, annexation, or withdrawal of property to or from the regime of this Declaration; provided, however, that annexations or de-annexations pursuant to the original development plan as set forth in the Recitals to this Declaration shall be exempt from this approval requirement;
 - (8) Boundaries of any Residential Lot;
 - (9) The interests in the Association Property;
 - (10) Convertibility of Residential Lots into Association Property or of Association Property into Residential Lots;
 - (11) Leasing for a period in excess of one (1) year of Residential Lot(s);
 - (12) Imposition of any right of first refusal or similar restriction on the right of any Residential Lot(s) Owner to sell, transfer, or otherwise convey that Owner's Residential Lot(s); and
 - (13) Any provisions which are for the express benefit of Eligible Holders.
- (c) An addition or amendment to this Declaration shall not be considered material if it is for the purpose of correcting technical errors, if it is required by the City, the County, or the California Department of Real Estate in order to comply with the law, or if it is for clarification only. An Eligible Holder who receives a written request to approve additions or amendments who does not deliver or post to the requesting party a negative response within thirty (30) days shall be deemed to have approved such request.

Section 7.5. Restrictions on Certain Changes. Unless at least sixty-seven percent (67%) of the First Mortgagees (based upon one vote for each First Mortgage owned) or Owners of the individual Residential Lots in the Cagney Ranch Estates Community have given their prior written approval, the Association shall not be entitled to:

- (a) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Association Property owned, directly or indirectly, by the Association for the benefit of the Residential Lots in the Cagney Ranch Estates Community (the granting of easements for public utilities or for other public purposes consistent with the intended use of such common property by the Cagney Ranch Estates Community shall not be

deemed a transfer within the meaning of this clause);

- (b) change the method of determining the obligations, Assessments, dues, or other charges which may be levied against a Residential Lot Owner;
- (c) by act or omission change, waive, or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance, the exterior maintenance of Improvements, the maintenance of the Association Property, walks, walls, fences, and/or driveways, or the upkeep of lawns and plantings in the Cagney Ranch Estates Community;
- (d) fail to maintain fire and extended coverage insurance on insurable Association Property on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based on current replacement cost);
- (e) use hazard insurance proceeds for losses to any Association Property for other than the repair, replacement, or reconstruction of such Association Property.

Section 7.6. Right of Reimbursement. First Mortgagees of Residential Lots may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any Association Property and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for such Association Property, and First Mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

Section 7.7. No Right of First Refusal. Sale or resale of any Residential Lots shall not be subject to a right of first refusal in the Association.

Section 7.8. Leasing. With the exception of a lender in possession of a Residential Lot following a default in a First Mortgage, a foreclosure proceeding, or any deed or other arrangement in lieu of foreclosure, no Owner shall be permitted to lease that residence for an initial term of less than seven (7) days or for transient or hotel purposes. No Owner may lease less than the entire Residential Lot. Other than the foregoing, there is no restriction on the right of any Owner to lease that Owner's Residential Lot. All rental agreements (and/or leases) of Residential Lots shall be in writing and shall provide that any breach of the provisions of this Declaration by the tenant (or lessee) shall be a default under such agreement, and the Owner of such Residential Lot shall be responsible for assuring compliance with this Declaration.

Section 7.9. Examination of Books and Records. The holders, guarantors, or insurers of First Mortgages shall have the right to examine the books and records of the Association, including the Declaration, Bylaws, Articles, Association Rules, and amendments thereto. Upon request of a holder, guarantor or the insurer of a First Mortgage the Board shall furnish, free of charge, financial statements of the preceding fiscal year, which shall be audited only if required to comply with regulations of the California Department of Real Estate.

Section 7.10. Taxes, Assessments, and Charges. To the extent allowed by law, all taxes, charges, and Assessments which may become liens prior to First Mortgages under local law, shall relate only to the individual Residential Lot so encumbered and not to the Cagney Ranch Estates Community as a whole.

Section 7.11. Reserves for Replacement. As required in this Declaration and the applicable Civil Code, a reserve fund for long term maintenance, repairs, and replacement of the Association Property facilities must be established by the Association and funded in accordance with the Civil Code and applicable law.

Section 7.12. No Priority Over Rights of First Mortgagees. No provisions herein shall give a Residential Lot owner, or another party, priority over any rights of First Mortgagees of Residential Lots pursuant to their Mortgages in the case of a distribution to Residential Lot Owners of insurance proceeds or condemnation awards for losses to, or a taking of, Residential Lots or Association Property.

Section 7.13. VA Approval. During the period of time that the VA is the guarantor of a Mortgage

encumbering a Residential Lot, the following actions will require the prior approval of the VA: Annexation or de-annexation of additional property to the Property, any mergers or consolidations of the Association, dedicating or mortgaging of the Association Property; any special assessment, and amendments to the Declaration (a draft of which shall be submitted to and approved by the VA prior to recordation). Recordation of an amendment to this Declaration shall be *prima facie* evidence of compliance with this requirement.

Section 7.14. FHA Approval. The Federal Housing Authority shall have the same approval rights as are provided to VA in this Declaration during such period of time as FHA is insuring a Mortgage encumbering a Residential Lot within the Community or owns a Residential Lot within the Community. Recordation of an amendment to this Declaration shall be *prima facie* evidence of compliance with this requirement.

Section 7.15. Conflict. If there is any conflict between the provisions of this Article and any other provisions of this Declaration or the Association Bylaws, the provisions contained in this Article shall control.

Section 7.16. Amendments to Conform with Mortgagee Requirements. It is the intent that this Declaration and the Articles and Bylaws, and the development of the Cagney Ranch Estates Community in general, shall now and in the future meet all requirements of the California Department of Real Estate as well as requirements as necessary to purchase, guarantee, insure, or subsidize any Mortgage of a Residential Lot in the development by the VA, FHA, and/or the Government Lending Agencies. The Board and each Owner shall take all action and shall adopt all resolutions reasonably required to conform this Declaration, the Articles, the Bylaws, or the development of the Cagney Ranch Estates Community to the requirements of any of said entities or agencies, and in the event of failure to so act, the Board may institute court action pursuant to Section 4275 of the California Civil Code to lower affirmative votes necessary for such action to fifteen percent (15%) of the Total Eligible Voting Power of the Association, or such other percentage as appears to the court to be just and reasonable.

ARTICLE 8: ANNUAL INSPECTION

Section 8.1. Duty to Inspect. It shall be the duty of the Board to have the Association Property inspected at least once each year.

Section 8.2. Purpose of Inspection. The purpose of the inspection shall be to (i) determine whether the Association Property is being maintained adequately in accordance with the standards of maintenance established herein, (ii) identify the condition of the Association Property and any Improvements thereon, including the identification of any hazards or defects, and any need for performing additional maintenance, refurbishment, replacement, or repair, and (iii) provide information necessary for the Board to recommend preventive actions which may be taken to reduce potential maintenance costs and/or liabilities to be incurred in the future.

Section 8.3. Scope of Inspection. All of the Association Property and Improvements thereon including, but not limited to, the exterior and structural integrity of any structures, walls, walkways, irrigation systems, landscaping, and drainage devices shall be inspected.

Section 8.4. Experts and Consultants. The Board may employ such experts and consultants as are necessary to perform the inspection and make the report required by this Article.

Section 8.5. Report to Owners. The Board shall have a report of the results of the inspection of the Association Property required by this Article prepared. The report shall be furnished to Owners within the time set forth for furnishing Owners with the Budget. The report shall include at least the following:

- (a) a description of the condition of the Association Property including a list of items inspected, and the status of maintenance, repair and need for replacement of all such items;
- (b) a description of all maintenance, repair and replacement planned for the ensuing fiscal year and included in the Budget;
- (c) if any maintenance, repair or replacement is to be deferred, the reason for such deferral;
- (d) a summary of all reports of inspections performed by any expert or consultant employed by the Board to perform inspections;
- (e) a report of the status of compliance with the maintenance, replacement and repair needs set forth in the inspection report for preceding years; and
- (f) such other matters as the Board deems appropriate.

ARTICLE 9: MISCELLANEOUS

Section 9.1. Term. This Declaration shall run with and bind the Property and shall continue in full force and effect for a term of fifty (50) years from the date of the first recordation of this Declaration in the Official Records of the County, after which time the same shall be automatically extended for successive periods of ten (10) years unless terminated at any time after the first fifty (50) years by a written Declaration of Termination executed by the Owners of not less than sixty-seven percent (67%) of the Residential Lots included in the Cagney Ranch Estates Community and by approval of the required number of Eligible Holders, insurers, or guarantors of First Mortgages pursuant to Article 7 of this Declaration.

Section 9.2. Amendments. Subject to the provisions of this Declaration, including the rights of any holders, insurers, or guarantors of First Mortgages as may be established herein, each and all of the covenants, conditions, and restrictions contained herein may be modified, amended, augmented, or deleted by the execution of either an amended Declaration or amendment to this Declaration, duly executed and acknowledged by sixty-seven percent (67%) of the Total Eligible Voting Power of the Association, or such lesser percentage as may be specified by the Superior Court of Los Angeles County pursuant to a petition filed under the authority of Section 4275 of the California Civil Code. Unless ordered in an action pursuant to that Section 4275 of the California Civil Code, the percentage of the Total Eligible Voting Power necessary to amend a specific clause or provision shall not be less than the percentage of affirmative votes prescribed for action to be taken under that clause. For example, if the Declaration expressly states that seventy-five percent (75%) of the Total Eligible Voting Power must agree to an increase in the maximum annual Assessment, then seventy-five percent (75%) of the Total Eligible Voting Power is necessary to amend this provision regardless of the percentage above prescribed. Said amended Declaration or amendment to this Declaration shall not be effective for any purpose, unless and until recorded in the Official Records of the County, but shall thereafter be conclusive and presumed to be valid as to anyone relying thereon in good faith.

Section 9.3. Cumulative Remedies. Each remedy provided by this Declaration is cumulative and non-exclusive, and all of the provisions of this Declaration shall be liberally construed together to promote and effectuate the fundamental concepts of the Cagney Ranch Estates Community, as set forth herein. Should any provision in this Declaration be void or become invalid or unenforceable in law or equity by judgment or court order, the remaining provisions hereof shall be and remain in full force and effect.

Section 9.4. Notices. Any notice or other document relating to or required by this Declaration may be delivered either personally or by mail. If by mail, it shall be deemed to have been delivered on the third business day after a copy thereof shall have been deposited in the United States mail, postage prepaid, and addressed to the address of record of the applicable party.

Section 9.5. Number and Gender. The singular shall include the plural and the plural the singular and the masculine, feminine, or neuter each shall include the other, all as the context may require.

Section 9.6. Private Enforcement. The Association or any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by this Declaration, matters related to claims of damage to the Association Property, and in each such matter the Association shall have the right to intervene in such action if not included as a party. Failure by the Association or any Owner to enforce any provision of this Declaration shall in no event be deemed a waiver of the right to do so thereafter. Every act or omission whereby any of the said provisions is violated in whole or in part is hereby declared to be and constitutes a nuisance, and every civil remedy allowed by law or equity against a nuisance, either public or private, shall be applicable.

Section 9.7. Association Property Casualty. If any portion of the Association Property is damaged or destroyed by fire or other casualty, then; subject to rights of any holders, insurers, or guarantors of First Mortgages as may be established in Article 7:

- (a) If the cost of repairing or rebuilding does not exceed the amount of available insurance

proceeds by more than five percent (5%), then so long as such shortfall can be funded by a Special Assessment levied pursuant to this paragraph the Board shall thereupon contract to repair or rebuild the damaged portions of the Association Property substantially in accordance with the original plans and specifications. The excess cost of such reconstruction over insurance proceeds available shall be levied by the Board as a Special Assessment up to the maximum amount permitted to be levied without the approval of the Members, in accordance with the limitation on such assessments as set forth in this Declaration.

- (b) If after taking into account the Special Assessment levy of the preceding paragraph the total funds which would be available are still not sufficient to restore the damaged property, then the Board shall attempt to, first, impose an additional Special Assessment pursuant to subsection (1) below; and secondly, implement a plan of alternative reconstruction pursuant to subsection (2) below. If the Members do not approve actions under any of those subsections (1) or (2), as applicable, all the Association Property in the Cagney Ranch Estates Community shall be sold by the Board as set forth in subsection (3) below:
- (1) if fifty percent plus one (50% + 1) of each class of Members approves an additional Special Assessment in the amount which, when added to available insurance proceeds and any other funds available to the Association for such purpose, is sufficient to restore the damaged property, such restoration shall be undertaken; but, if not,
 - (2) the Board shall consider and propose plans to reconstruct the damaged property which conform as closely as reasonably possible, taking into account the limitation on available construction funds, to the original construction design or plans. Such proposal shall be presented to the Owners, and if a majority of all the Members (including the affected owners), and approval of the respective percentage of Mortgagees as may be provided in Article 7, agree to such revised plan within three (3) months following the date such proposal is provided to the Owners by the Board, then the Board shall contract for the repair and reconstruction in accordance with such revised plans;
 - (3) If none of the preceding two subsections are implemented within six months after the date of the casualty, then the Board shall sell all the Association Property at Cagney Ranch Estates Community in its then-present condition, on terms as determined by the Board. The proceeds from any such sale, together with the available insurance proceeds, and the balance of funds then held by the Association (after accounting for all debts and other obligations) shall be distributed among the Owners and their respective Mortgagees in proportion to the respective fair market values immediately prior to the casualty, as determined by an independent appraisal made by a qualified MAI appraiser as selected by the Board, and taking into account the Owner's individual interest in the Association Property to the extent required by Government Lending Agencies then holding First Mortgages. In the event the Association fails to take the necessary steps to implement the provisions of this Section, any Owner may file an action in a court of appropriate jurisdiction for an order requiring the sale of the Cagney Ranch Estates Community and distribution of proceeds in accordance with the above provisions. Any Owner or group of Owners have a right to bid in the event of such court-ordered sale.

Section 9.8. Condemnation. If any portion of the Association Property is taken through condemnation by any governmental agency having the power of eminent domain, or any proceeding in lieu thereof, and the award therefor is not apportioned among the Owners and their Mortgagees (as their

respective interests then appear) by court judgment or by agreement between the condemning authority, then each Owner and its Mortgagee (as their respective interests then appear) shall be entitled to receive a distribution from the award for such taking pro rata in proportion to the decrease in fair market value of that Owner's Residential Lot as compared to the aggregate decrease in fair market value of all the Residential Lots. Said award may be paid to the Association as trustee for the Owners and Mortgagees for distribution as set forth above. The Association is hereby granted irrevocable power of attorney to act as attorney-in-fact with respect to all Owners to represent the Owners in condemnation proceedings with respect to the Association Property or in negotiations, settlements, and agreements with the condemning authority and to convey title thereto in lieu of condemnation when such conveyance is approved by sixty-seven percent (67%) of the Members.

Section 9.9. Approval of Litigation. Subject to the provisions of this Declaration herein and Section 6000 of the California Civil Code, the Association shall not incur legal expenses, including without limitation, attorneys' fees, where the Association initiates legal proceedings or is joined as a plaintiff in legal proceedings without the approval of a majority of the Board. Such majority approval shall not be necessary if the legal proceedings are initiated to (i) enforce the use restrictions contained in Article 5 herein, (ii) enforce the architectural control provisions contained in Article 6 herein, or (iii) collect any unpaid assessments levied pursuant to this Declaration. The Association must finance any legal proceeding with monies that are specifically collected for same and may not borrow money or use reserve funds or other monies collected for specific Association obligations other than legal fees. In the event that the Association commences any legal proceedings, the Association and all Owners shall have the duty to notify prospective purchasers of such legal proceedings and upon request the Association shall provide such prospective purchasers with a true copy of notices and similar non-privileged communications related to such dispute as sent to or received from (or on behalf of) the opposite parties.

Section 9.10. Attorneys' Fees. In the event the Association or any Owner shall initiate any action or proceeding, against any other party under this Agreement, the prevailing party shall be entitled to recover all costs and expenses including the actual fees of its attorneys incurred for prosecution, defense, consultation, or advice in such action or proceeding. In addition to the foregoing award of attorneys' fees to the prevailing party, the prevailing party in any action or proceeding on this Agreement shall be entitled to its attorneys' fees incurred in any post-judgment proceedings to collect or enforce the judgment. This provision is separate and several and shall survive the merger of this Agreement into any judgment on this Agreement.

Section 9.11. Invalidation of a Provision. Invalidation of any one of these covenants, conditions, or restrictions, by judgment or court order, shall in no way affect other provisions hereof, which shall remain in full force and effect.

Section 9.12. Effect of Declaration. The Association makes no warranties or representations, express or implied, as to the binding effect or enforceability of all or any portion of this Declaration, or as to the compliance of any of these provisions with public laws, ordinances and regulations applicable thereto.

Section 9.13. No Representations or Warranties. No representations or warranties of any kind, express or implied, have been given or made by the Association, or its agents, consultants, or employees in connection with the Property, or any portion thereof, its physical condition, zoning, compliance with applicable laws, fitness for intended use, or in connection with the subdivision, sale, operation, maintenance, cost of maintenance, taxes or regulation thereof, except as specifically and expressly set forth in this Declaration.

Section 9.14. Liberal Construction of Provisions. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development of a Residential Lot project and for the maintenance thereof.

Section 9.15. No Liability for Unenforceable Provisions. Each Owner, by its acceptance of a deed, shall be deemed to have agreed that the Association shall have no liability whatsoever resulting from any

term or provision hereof having been held to be unenforceable in whole or in part.

Section 9.16. No Liability of Officials. To the fullest extent permitted by law, neither the Board, the Architectural Control Committee, any other committees of the Association or any member of such Board or Committee shall be liable to any Member for any damage, loss or prejudice suffered or claimed on account of any decision, approval or disapproval of plans or specifications pursuant to Article 6 (whether or not defective), course of action, act, omission, error, negligence or the like made in good faith within which such Board, committees or persons reasonably believed to be the scope of their duties.

Section 9.17. Post-Tensioned Slabs. Some or all of the Residences may be constructed with post-tensioned concrete slabs because of expansive soils. Such construction involves placing steel cables under high tension in the concrete slab located beneath the Residences. The Association shall be responsible for determining whether any particular Residence has been constructed with such technique, and any attempt by the Association or any Owner to alter or pierce the foundation (*e.g.*, saw cutting or drilling to install a floor safe) could damage the integrity of the construction and/or cause serious injury or damage to persons and property. The Association and each Owner shall hold Declarant harmless from and indemnify Declarant against all claims, demands, losses, costs (including attorney's fees), obligations, and liabilities arising out of or in connection with the failure to comply with the provisions of this Section.

Section 9.18. No View Easements. No easements are provided in connection with the view from any Residential Lot, nor for the passage of light or air. Each Owner, by accepting a deed to a Residential Lot, expressly acknowledges and agrees that Residences, walls and/or fences constructed by Declarant or a Successor, as well as construction within the near vicinity of the Property, may impair the view from a Residential Lot, and each Owner expressly consents to any such view impairment.

Section 9.19. Conflicts. If there are any conflicts or inconsistencies between the provisions of the Articles of Incorporation, the Bylaws, and this Declaration, the terms and provisions of the Declaration shall control.

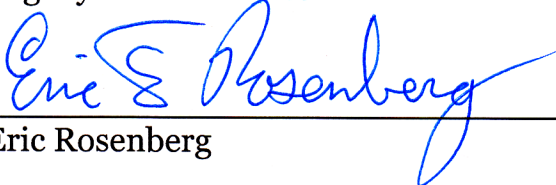
CERTIFICATE OF PRESIDENT AND SECRETARY

Pursuant to Civil Code Section 4270 or any successor statute, we, the undersigned, declare under penalty of perjury that the following facts are true and correct of our own personal knowledge:

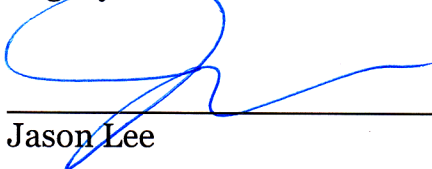
- A. **We are the duly elected President and Secretary of the Cagney Ranch Estates.**
- B. **The required percentage of Owners has given their approval to amend the currently effective Declaration of Covenants, Conditions, Restrictions, and Easements by adopting this Third Amended and Restated Declaration of Covenants, Conditions, and Restrictions of Cagney Ranch Estates.**

Executed in Granada Hills California on MAY 18, 2018

Cagney Ranch Estates Homeowners Association


_____, President
Eric Rosenberg

Cagney Ranch Estates Homeowners Association


_____, Secretary
Jason Lee

[NOTARY ACKNOWLEDGMENTS FOLLOW]

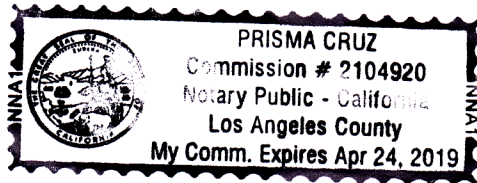
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

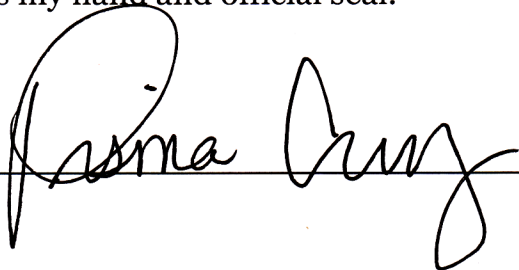
STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On MAY 18, 2018, before me, PRISMA CRUZ, Notary Public, personally appeared ERIC T ROSENBERG and JASON J LEE, who proved to me on the basis of satisfactory evidence, to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument, the persons, or the entity upon behalf of which the persons acted, executed the instrument.

I certify under penalty of perjury under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.





Notary Public

EXHIBIT "A"

SAMPLE EASEMENT FOR CONVEYANCE OF ASSOCIATION PROPERTY

<p>Order No. _____ Escrow No. _____ Loan No. _____</p> <p>RECORDING REQUESTED BY: K. Hovnanian at Aliso, LLC, a California limited liability company 2525 Campus Drive Irvine, California 92612</p> <p>WHEN RECORDED MAIL TO: Grantor</p> <p>MAIL TAX STATEMENTS TO: Grantor</p>	
<p>DOCUMENTARY TRANSFER TAX: \$ _____ _____ Computed on the consideration or value of the property conveyed. OR _____ Computed on the consideration or value less liens or encumbrances remaining at time of sale.</p>	<p>THE SPACE ABOVE IS FOR THE RECORDER'S USE ONLY.</p> <p>_____ Signature of Declarant or Agent Determining Tax - Firm Name</p>

GRANT OF EASEMENT

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, **K. HOVNANIAN AT ALISO, LLC, a California limited liability company** (the "**Grantor**"), hereby grants to **K. HOVNANIAN AT ALISO COMMUNITY ASSOCIATION, INC., a mutual benefit corporation** (the "**Grantee**"), its successors and assigns, a non-exclusive easement for ingress, egress, and use as well as other reasonably related purposes, with rights to grant easements to others, on, over, under, and upon those areas or portions located within the real property (the "**Property**") in the County of Los Angeles, State of California, described in Exhibit "A" (Legal Description of Property), attached hereto and incorporated herein.

SUBJECT TO:

1. All non-delinquent real property general and special taxes and assessments.
2. All other covenants, conditions, restrictions, exceptions, reservations of rights, rights-of-way, and easements of record, if any, and any amendments, modifications or supplements of the foregoing, which is hereby incorporated into the body of this instrument as though fully set forth herein.

[GRANTOR'S SIGNATURE IS ON THE FOLLOWING PAGE]

GRANTOR'S SIGNATURE

Dated: _____, 200__

K. Hovnanian at Aliso, LLC,
a California limited liability company

By: _____

Authorized Agent

STATE OF CALIFORNIA)
)ss.
COUNTY OF _____)

On _____, 200__, before me, the undersigned, a Notary Public in and for said County and State, personally appeared

_____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public

EXHIBIT "B"
GRANT DEED FOR CONVEYANCE OF LOTS 46 AND 47 TO
THE SANTA MONICA MOUNTAINS RECREATION AND CONSERVATION AUTHORITY

This page is part of your document - DO NOT DISCARD



20160372055



Pages:
0010

Recorded/Filed in Official Records
Recorder's Office, Los Angeles County,
California

04/05/16 AT 08:00AM

FEES:	0.00
TAXES:	0.00
OTHER:	0.00
PAID:	0.00



LEADSHEET



201604050300020

00011915394



007473294

SEQ:
07

DAR - Title Company (Hard Copy)



THIS FORM IS NOT TO BE DUPLICATED

R22

E212099

2



9
16

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Mountains Recreation
And Conservation Authority
570 West Avenue 26, Suite 100
Los Angeles, CA 90065

Attn: Oscar Victoria

033016-666

(Space Above For Recorder's Use)

DOCUMENT ENTITLED TO FREE RECORDATION PURSUANT TO GOVT CODE SECTION 6103
AND TRANSFER IS EXEMPT PURSUANT TO REV. & TAX CODE SECTION 11922

D.T.T. \$6

Signature of Declarant or Agent determining tax. Fair Name

GRANT DEED

For valuable consideration, receipt of which is hereby acknowledged, K. Hovnanian at Aliso, LLC, a California limited liability company ("Grantor") hereby grants to Mountains Recreation and Conservation Authority, a local public agency established pursuant to Section 6500 of the Govt. Code ("Grantee"), the following described real property in the City of Los Angeles, County of Los Angeles, State of California:

See Exhibit 1 attached hereto and made a part hereof (the "Property").

SUBJECT TO:

1. General and special taxes and assessments for the current fiscal tax year and any and all non-delinquent bonds and/or assessments; and
2. All other covenants, conditions, restrictions, reservations, rights, rights-of-way, easements, dedications, offers of dedications and other matters of record or apparent; and
3. The following special land use covenants and restrictions (the "Restrictions"):

(a) Natural Open Space Conservation Purpose. Grantee shall use, manage, operate and maintain the Property as natural conservation open space in perpetuity (including, but not limited to, maintaining the natural vegetation habitats on the Property and maintaining and repairing the existing v-ditches and trails on the Property) and shall protect the biological values of the Property (collectively, the "Conservation Purpose") and shall not use or develop or attempt to use or develop the Property or any portion thereof for any other purpose unless expressly approved in writing by the United States Army Corps of Engineers, Los Angeles District and the California Department of Fish & Wildlife (collectively, "Agencies"), which approval may be withheld by Agencies in their sole discretion.

THIS DOCUMENT FILED FOR RECORD
BY ORANGE COAST TITLE COMPANY
AS AN ACCOMMODATION ONLY. IT
HAS NOT BEEN EXAMINED AS TO ITS
EXECUTION OR AS TO ITS EFFECT
UPON THE TITLE.

2601-075-073 & 2601-075-047
ALISO
2601-075-073 & 2601-075-047

7

(b) Development or Use. Without limitation on the foregoing, Grantee shall not permit the commencement of construction, construction, maintenance, operation or use of any structure or improvements on the Property except for those existing v-ditch structures and trails on the Property and any other structures or improvements allowed by existing easements of record.

(c) Waste or Nuisance. Grantee shall not commit or suffer to be committed any waste upon the Property or any nuisance which may disturb the quiet enjoyment of any other occupant of the residential development project located adjacent to the Property, commonly known as Cagney Ranch or Aliso (the "Benefitted Property").

(d) From and after the date of recordation of this Grant Deed, Grantee shall commence land management activities on the Property in accordance with these Restrictions and in furtherance of the Conservation Purpose. Land management activities conducted by Grantee on the Property may include, but not be limited to, weed abatement, enhancement or restoration of native habitats, vegetation or ecological communities, maintenance and repair of v-ditches, splash walls and other concrete structures and features, graffiti removal, ranger services and trail maintenance, and all such activities are specifically acknowledged by the parties as being consistent with the Conservation Purpose in this Agreement. Grantee shall maintain all of the v-ditches, splash walls and other concrete structures and features existing on the Property in good and functioning condition, and shall repair all such structures and features as appropriate. Grantee shall conduct the land management activities in a manner fully consistent with good conservation management practices.

(e) No Transfer or Encumbrance. Grantee shall not consummate any sale, lease, conveyance, transfer, exchange, encumbrance or other disposition of the Property or any portion thereof or facilities thereon, whether by agreement for sale or in any other manner (herein collectively, an "assignment") for any purpose other than the Conservation Purpose without first giving the Agencies at least sixty (60) days' prior written notice of all terms and conditions of such proposed assignment. Grantee shall not consummate any assignment without first obtaining the written approval of both Agencies. For purposes of this paragraph, an assignment shall not include a transfer to any entity which controls, is controlled by or is under common control with Grantee. For purposes hereof, "control" shall mean possession of the voting power to direct the management and policies of the applicable entity. Agencies in their sole discretion may approve or disapprove any such proposed assignment. Agencies' failure either to so approve or to disapprove within the sixty (60) day period shall be deemed to constitute disapproval of such assignment. The transfer, assignment, or hypothecation, whether in one transaction or a series of transactions, of a controlling interest of any stock or interest in Grantee shall be deemed an "assignment" within the meaning and provisions of this Section.

(f) General Purpose and Constructive Notice. The Restrictions shall run and pass with each and every portion of the Property and be binding upon Grantee and its successors and assigns, and are established in accordance with Section 1468 of the California Civil Code, and shall benefit the Benefitted Property and be enforceable by either of the Agencies and/or Grantor notwithstanding any transfers of the Benefitted Property or any portion thereof by Grantor. Except as specifically set forth herein, the Restrictions shall remain in full force and effect in perpetuity, notwithstanding Grantor's and/or Agencies' exercise of any right or remedy

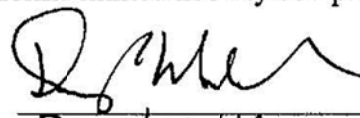
4

herein due to a previous or repeated violation of any one or more of the Restrictions (and in that regard, if this Instrument is deemed to have expired by operation of law, Grantor or its designees or Agencies or their designees shall have the right to reinstate this Instrument, to the extent such reinstatement is not in violation of any law). Every person or entity who now or hereafter owns or acquires any right, title or interest in or to any portion of the Property is and shall be conclusively deemed to have consented and agreed to the Restrictions and each provision, covenant, condition, right and limitation contained herein, whether or not any reference to this Instrument is contained in the instrument by which such person or entity acquired an interest in the Property.

(g) Termination or Amendment. The Restrictions may be validly terminated, amended, modified or extended, in whole or in part, only by recordation by the Los Angeles County Recorder of a proper instrument duly executed and acknowledged by the Agencies and Grantee to that effect.

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of the 22 day of February, 2016.

K. Hovnanian at Aliso, LLC,
a California limited liability company

By: 
Name: Douglas Woodward
Title: Division President

Grantee, by execution of this instrument, hereby accepts the grant of the Property upon the terms, conditions and reservations stated in this Grant Deed.

Dated: _____, 2015

Mountain Recreation and Conservation Authority

By: _____
Name: _____
Title: _____

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

State of California)
County of ORANGE)

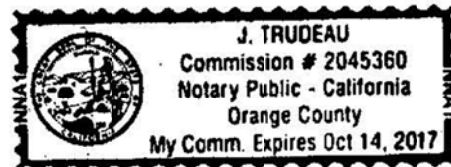
On 22 February 2016, before me, J. TRUDEAU, a Notary Public, personally appeared DOUGLAS WOODWARD, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature

[Signature]



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

State of California)
County of _____)

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

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

WITNESS my hand and official seal.

Signature

6

EXHIBIT "I" TO GRANT DEED
LEGAL DESCRIPTION OF THE PROPERTY

7

EXHIBIT ~~X~~ 1

TRACT 48906
SANTA MONICA MOUNTAINS
CONSERVANCY DEDICATION

All of Lot 47 of Tract No. 48906, in the City of Los Angeles, County of Los Angeles, State of California, as shown on the Map Recorded in Book 1258, Pages 44-52 of Maps in the Office of the Recorder of said County.

All of New Parcel 3 described in that certain Certificate of Compliance for Lot Line Adjustment Recorded as Instrument No. 04-3328125 of Official Records in the Office of the County Recorder of said County, being a portion of Lot 20, Lot 21, and Lot 46 of said Tract 48906.

CONTAINING: 617,064 Square feet, more or less.

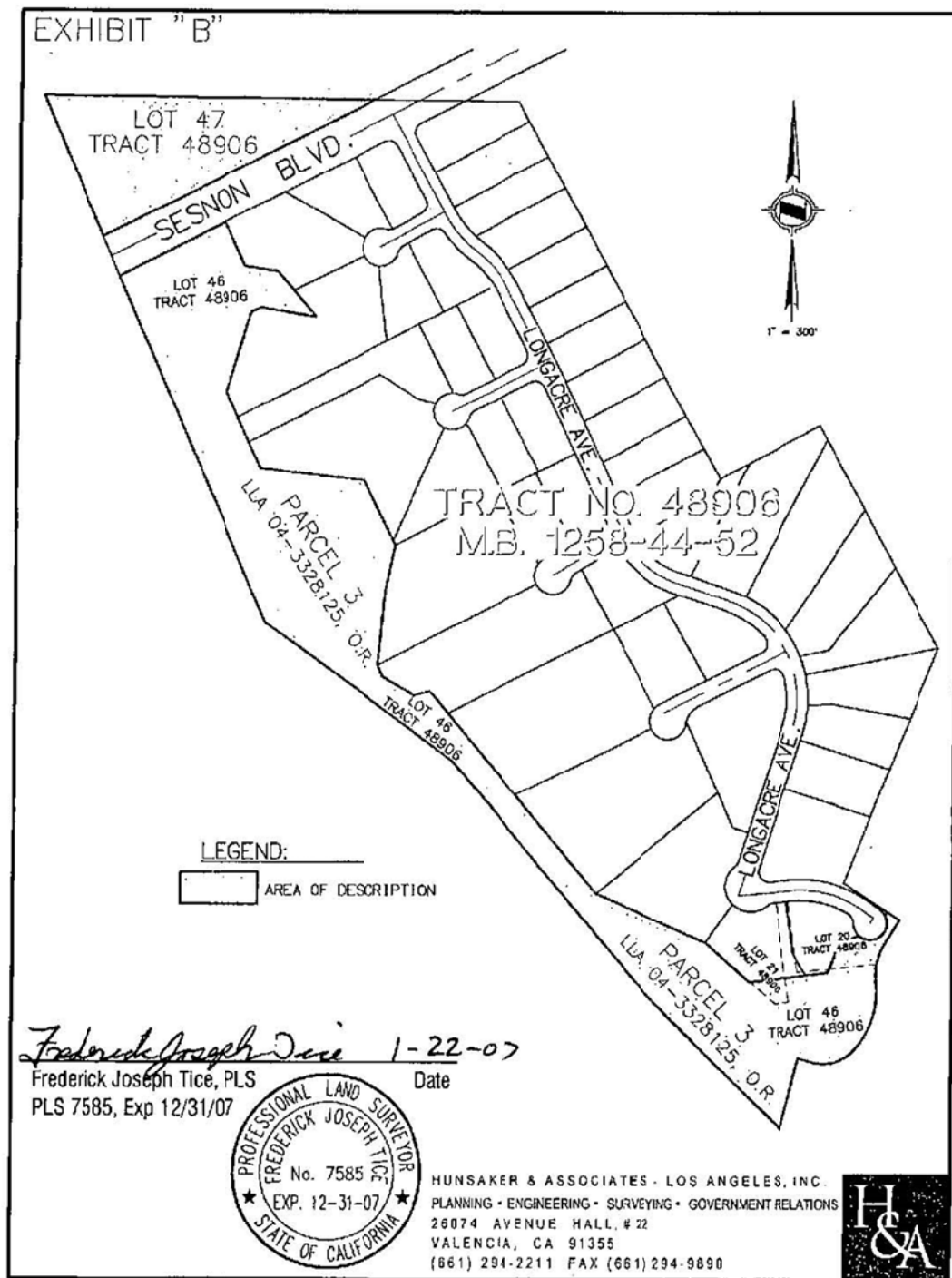
SUBJECT TO: All covenants, Rights, Rights-of-Way and Easements of record.

EXHIBIT "B": Attached and by this reference made a part hereof.



Frederick Joseph Tice 1-22-07
Frederick Joseph Tice Date
PLS 7585, Exp. 12/31/07

8



9

CERTIFICATE OF ACCEPTANCE

This is to certify that the Mountains Recreation and Conservation Authority, a local park agency established pursuant to Government Code Section 6500 *et. seq.*, hereby accepts the Grant Deed executed by K. Hovnanian at Aliso, LLC, a California limited liability company, on 2/22, 2016 in favor of the Mountains Recreation and Conservation Authority, to which this Certification of Acceptance is attached.

This acceptance is made pursuant to the authority conferred by Resolution No. 04-160 adopted on December 9, 2004 and the Mountains Recreation and Conservation Authority consents to the recordation of the Grant Deed and this Certificate of Acceptance.

Dated: NOVEMBER 12, 2015

MOUNTAINS RECREATION AND CONSERVATION AUTHORITY,
a joint powers agency

BY: 
Lisa Soghor
Deputy Executive Officer

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

State of California)
County of _____)

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

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

WITNESS my hand and official seal.

Signature _____

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

State of California)
County of LOS ANGELES)

On 11-2-15, before me, ASHLEY NICOLE VILLARREAL-SANCHEZ, a Notary Public, personally appeared LISA SOTTOR, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature _____

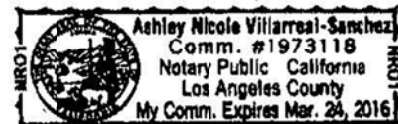


EXHIBIT "C"
HOA MAINTAINED AREAS
LOTS SUBJECT TO RESIDENTIAL LANDSCAPE EASEMENTS
(Inclusive of Equestrian Trails for Public Use)

WITHIN ANNEXABLE PROPERTY:

[See Page C-1]

Residential Landscape Easements are reserved for the benefit of the Association for landscape maintenance purposes, for the purpose of installing and/or maintaining, as applicable, the exterior of retaining or dividing walls constructed by Declarant from the boundary of the adjacent Association Property to the wall or fence return on the neighboring Residential Lot, for the purpose of installing and/or maintaining, as applicable, entryway monuments and signage constructed by Declarant, and for the purpose of installing and/or maintaining, as applicable, irrigation systems, all as graphically depicted on this Exhibit "C-1".

NOTE: GREEN SHADED AREAS ON THE GRAPHICS OF PAGE C-1 INDICATE THE PERMANENTLY IRRIGATED LANDSCAPED AREAS, AND RED SHADED AREAS ON THE GRAPHICS OF PAGE C-1 INDICATE THE PUBLIC EQUESTRIAN TRAILS.

EXHIBIT "C"
(CONTINUED)
HOA MAINTAINED AREAS
LOTS SUBJECT TO RESIDENTIAL LANDSCAPE EASEMENTS FOR RESTORATION

WITHIN ANNEXABLE AND OUTSIDE OF PROPERTY

[See Page C-2]

Residential Landscape Easements are reserved for the benefit of the Association for environmental restoration and maintenance for five (5) years, all as graphically depicted on this Exhibit "C-2".

NOTE: GREEN SHADED AREAS ON THE GRAPHICS OF PAGE C-2 INDICATE THE RESTORATION AREAS WITHIN THE PROPERTY'S BOUNDARY LIMITS, AND ORANGE SHADED AREAS ON THE GRAPHICS OF PAGE C-2 INDICATE THE RESTORATION AREAS OUTSIDE OF THE PROPERTY'S BOUNDARY LIMITS.

EXHIBIT "C"
(CONTINUED)
HOA MAINTAINED AREAS
LOTS SUBJECT TO RESIDENTIAL LANDSCAPE EASEMENTS FOR BRUSH MANAGEMENT

WITHIN ANNEXABLE AND OUTSIDE OF PROPERTY:

[See Page C-3]

Residential Landscape Easements are reserved for the benefit of the Association for brush management, all as graphically depicted on this Exhibit "C-3".

NOTE: GREEN SHADED AREAS ON THE GRAPHICS OF PAGE C-3 INDICATE THE BRUSH MANAGEMENT ZONE FOR ZONE 1 WITHIN THE PROPERTY'S BOUNDARY LIMITS, ORANGE STRIPED AREAS ON THE GRAPHICS OF PAGE C-3 INDICATE THE BRUSH MANAGEMENT ZONE FOR ZONE 2 WITHIN THE PROPERTY'S BOUNDARY LIMITS, AND ORANGE CROSS-HATCHED AREAS ON THE GRAPHICS OF PAGE C-3 INDICATE THE BRUSH MANAGEMENT ZONES OUTSIDE OF THE PROPERTY'S BOUNDARY LIMITS.

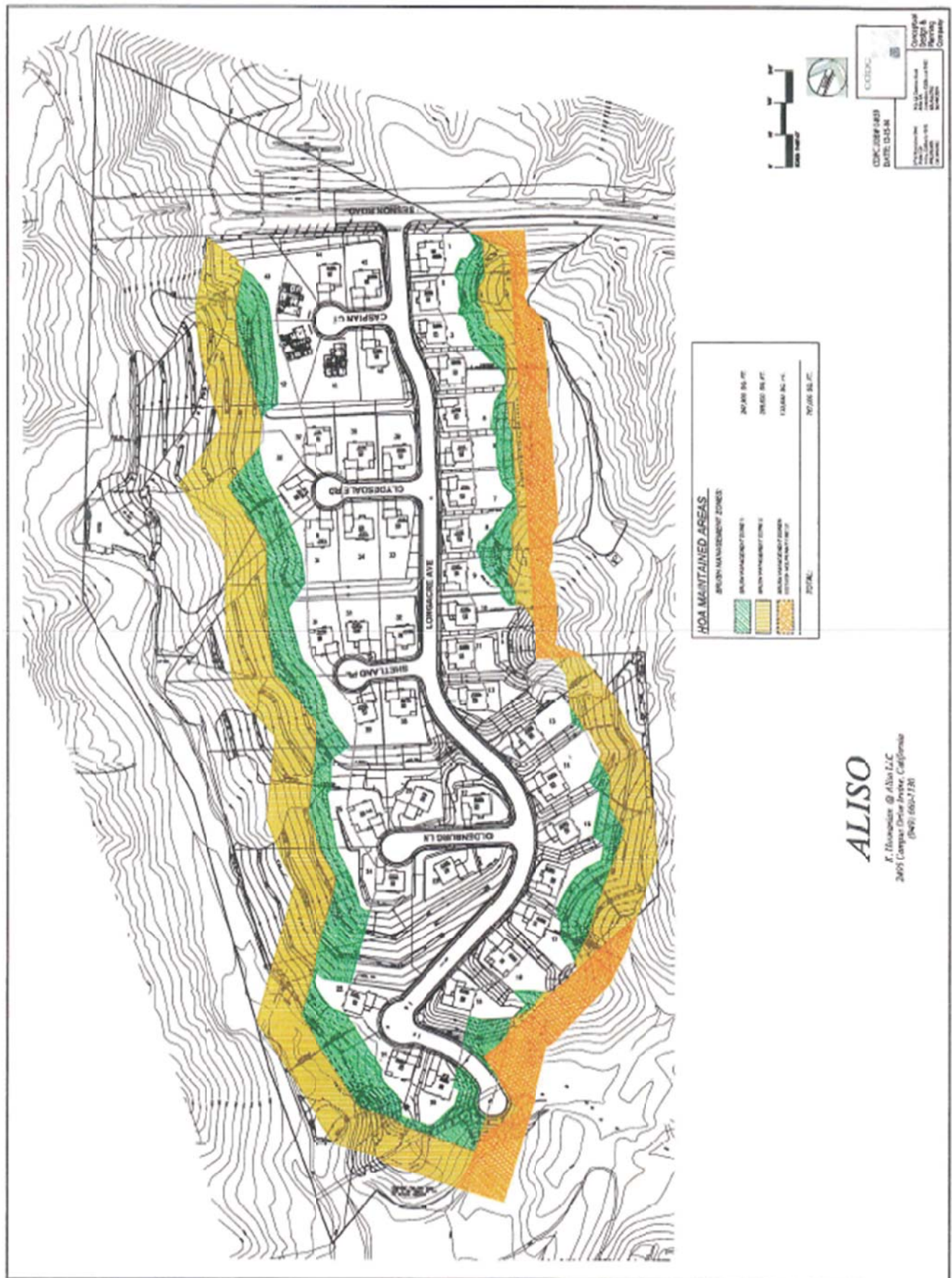


EXHIBIT "D"

HOME OCCUPATION POLICY

1. "HOME OCCUPATION" shall mean any legal activity conducted in compliance with the Operating Standards set forth herein and carried out by a homeowner as an accessory use within his/her primary dwelling unit. It is intended that home occupations shall be limited to use of the interior of the home (such as through the means of computer, fax, telephone, modem and reasonable mail), as set forth below and for no other purpose. In other words, any kind of activity conducted in compliance with this Home Occupation Policy shall not be visible from the exterior of the home, through any modification to the dwelling unit, or through the operation of said legal activity.

2. The purpose of this policy is to allow the conduct of home enterprises which are incidental to and compatible with the surrounding residential use of the dwelling units within the Aliso Community.

3. If operation of the home occupation requires a specific approval and/or licensing from the City or applicable government agency, evidence of approval by said entity shall be required and accompany the HOME OCCUPATION APPLICATION.

4. The conduct of a home occupation requires the approval of the Association, which shall be sought by submission of a HOME OCCUPATION APPLICATION.

5. The homeowner intending to conduct a home occupation shall also be required to execute an INDEMNIFICATION AGREEMENT to indemnify the Association and hold the Association harmless from any and all liability and claims related to the home occupation.

6. Home occupations shall comply with all of the following:

- a. There shall be no parking of commercial vehicles within the Aliso Community;
- b. There shall be no walk-in traffic to the home where the home occupation is located, except as incidental to a social relationship of the homeowner occupant;
- c. The home occupation shall not alter the appearance of the dwelling unit;
- d. There shall be no displays or inordinate amount of delivery of mail or merchandise;
- e. There shall be no signs other than those allowed by the governing documents;
- f. There shall be no advertising (including in any telephone book) which identifies the home occupation by address or physical location;
- g. The home occupation shall be confined completely to the actual living space within the dwelling unit (not a garage), unless applicable governmental statutes/ordinances provide further limitations, in which situation the statutes/ordinances would control;
- h. The home occupation shall not encroach into any required parking, setback, or common areas;
- i. There shall be no use or storage of material, mechanical equipment, or chemical materials not recognized as being part of a normal household or hobby use;

k. Activities conducted and equipment or material used shall not change the fire safety or occupancy classifications of the premises. Utility consumption shall not exceed normal residential usage;

l. No use shall create or cause noise, dust, vibration, odor, smoke, glare, or electrical interference or other hazards or nuisances;

m. Only the occupants of the dwelling unit may be engaged in the home occupation;

n. The home occupation shall not generate pedestrian or vehicular traffic;

o. If the home occupation is to be conducted on rental property, the property owner's written authorization for the proposed use shall accompany the HOME OCCUPANCY APPLICATION for approval of the home occupation. In addition, both homeowner and occupant shall execute an INDEMNIFICATION AGREEMENT.

7. A home occupation approval may be revoked or modified upon thirty (30) days' written notice by the Association if a majority of the Board of Directors, at their discretion, determine any one of the following findings can be made that:

a. The use has become detrimental to the quiet enjoyment of any homeowner within the project and/or constitutes a nuisance;

b. The use has become detrimental to the Association and/or any homeowner based on any health or safety concern;

c. The approval was obtained by the applicant by a misstatement of facts;

d. The home occupation is generating pedestrian or vehicular traffic and/or parking concerns;

e. The applicant is advertising the home occupation by identification of the address or physical location either in a telephone book or any other form;

f. There is a violation of any of the home occupation policies set forth in this Exhibit "D";

g. The use is in violation of any statute, ordinance, law or regulation.

8. In order to secure the integrity and purpose of this policy, home occupations shall be reviewed and monitored on an annual basis or sooner if the Board deems it necessary or suspects a violation of this policy.

EXHIBIT "E"

LEGAL DESCRIPTION

Real property in the City of Los Angeles, County of Los Angeles, State of California, described as follows:

Parcel 1:

Lots 1, 22 to 34, 38 to 40, 45, and 47 of Tract No. 48906, in the City of Los Angeles, in the County of Los Angeles, State of California, as per map recorded in Book 1288, Page(s) 44 to 52 inclusive of Maps, in the Office of the County Recorder of said County.

Except therefrom 100 percent of all oil, gas and other hydrocarbon substances under those portions of land above described, without however, any right to enter upon the surface of said land or that portion of the subsurface thereof lying above a depth of 500 feet, measured vertically from said surface, for any purpose whatsoever, as reserved in deed from James Cagney, et ux., recorded September 17, 1964 as Instrument No. 1560, Official Records.

Parcel 2:

Lot 2 of Tract No. 48906, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 1288 Pages 44 to 52 inclusive of Maps, in the Office of the County Recorder of said County.

Except therefrom the Southeasterly 22.01 feet of said Lot 2, measured at right angles from the Southeasterly line of said Lot 2 shown on the map of said Tract No. 48906 as having a bearing of North 61°27'35" East and a length of 255.87 feet. Said land is shown as Parcel 1 on Lot Line Adjustment recorded December 23, 2004 as Instrument No. 04-3328127.

Except therefrom 100 percent of all oil, gas and other hydrocarbon substances under those portions of land above described, without however, any right to enter upon the surface of said land or that portion of the subsurface thereof lying above a depth of 500 feet, measured vertically from said surface, for any purpose whatsoever, as reserved in deed from James Cagney, et ux., recorded September 17, 1964 as Instrument No. 1560, Official Records.

Parcel 3:

The Southeasterly 22.01 feet of Lot 2 of Tract No. 48906, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded In Book 1288 Pages 44 to 52 inclusive of Maps, in the Office of the County Recorder of said County, measured at right angles from the Southeasterly line of said Lot 2 shown on the map of said Tract No. 48906 as having a bearing of North 61°27'35" East and a length of 255.87 feet.

Together with Lot 3 of said Tract No. 48906.

Except therefrom the Southeasterly 35.01 feet of said Lot 3, measured at right angles from the Southeasterly line of said Lot 3 shown on the map of said Tract No. 48906 as having a bearing of North 61°27'35" East and a length of 228.44 feet. Said land is shown as Parcel 2 on Lot Line Adjustment recorded December 23, 2004 as Instrument No. 04-3328127.

Except therefrom 100 percent of all oil, gas and other hydrocarbon substances under those portions of land above described, without however, any right to enter upon the surface of said land or that portion of the subsurface thereof lying above a depth of 500 feet, measured vertically from said surface, for any purpose whatsoever, as reserved in deed from James Cagney, et ux., recorded September 17, 1964 as Instrument No. 1560, Official Records.

Parcel 4:

The Southeasterly 35.01 feet of Lot 3 of Tract No. 48906, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 1288 Pages 44 to 52 inclusive of Maps, In the Office of the County Recorder of said County, measured at right angles from the Southeasterly line of said Lot 3 shown on the map of said Tract No. 48906 as having a bearing of North 61°27'35" East and a length of 228.44 feet.

Together with Lot 4 of said Tract No. 48906.

Except therefrom the Southeasterly 34.01 feet of said Lot 4, measured at right angles from the Southeasterly line of said Lot 4 shown on the map of said Tract No. 48906 as having a bearing of North 61°27'35" East and a length of 207.50 feet. Said land is shown as Parcel 3 on Lot Line Adjustment recorded December 23, 2004 as Instrument No. 04-3328127.

Except therefrom 100 percent of all oil, gas and other hydrocarbon substances under those portions of land above described, without however, any right to enter upon the surface of said land or that portion of the subsurface thereof lying above a depth of 500 feet, measured vertically from said surface, for any purpose whatsoever, as reserved in deed from James Cagney, et ux., recorded September 17, 1964 as Instrument No. 1560, Official Records.

Parcel 5:

The Southeasterly 34.01 feet of Lot 4 of Tract No. 48906, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 1288 Pages 44 to 52 Inclusive of Maps, in the Office of the County Recorder of said County, measured at right angles from the Southeasterly line of said Lot 4 shown on the map of said Tract No. 48906 as having a bearing of North 61°27'35" East and a length of 207.50 feet.

Together with Lot 5 of said Tract No. 48906.

Except therefrom the Southeasterly 36.01 feet of said Lot 5, measured at right angles from the Southeasterly line of said Lot 5 shown on the map of said Tract No. 48906 as having a bearing of North 61°27'35" East and a length of 210.03 feet. Said land is shown as Parcel 1 on Lot Line Adjustment recorded December 23, 2004 as Instrument No. 04-3328129.

Except therefrom 100 percent of all oil, gas and other hydrocarbon substances under those portions of land above described, without however, any right to enter upon the surface of said land or that portion of the subsurface thereof lying above a depth of 500 feet, measured vertically from said surface, for any purpose whatsoever, as reserved in deed from James Cagney, et ux., recorded September 17, 1964 as Instrument No. 1560, Official Records.

Parcel 6:

The Southeasterly 36.01 feet of Lot 5 of said Tract No. 48906, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 1288 Pages 44 to 52 inclusive of Maps, in the Office of the County Recorder of said County, measured at right angles from the Southeasterly line of said Lot 5 shown on the map of said Tract No. 48906 as having a bearing of North 61°27'35" East and a length of 210.03 feet.

Together with Lot 6 of said Tract No. 48906.

Except therefrom the Southeasterly 42.06 feet of said Lot 6, measured at right angles from the Southeasterly line of said Lot 6 shown on the map of said Tract No. 48906 as having a bearing of North 61°27'35" East and a length of 212.57 feet. Said land is shown as Parcel 2 on Lot Line Adjustment recorded December 23, 2004 as Instrument No. 04-3328129.

Except therefrom 100 percent of all oil, gas and other hydrocarbon substances under those portions of land above described, without however, any right to enter upon the surface of said

land or that portion of the subsurface thereof lying above a depth of 500 feet, measured vertically from said surface, for any purpose whatsoever, as reserved In deed from James Cagney, et ux., recorded September 17, 1964 as Instrument No. 1560, Official Records.

Parcel 7:

The Southeasterly 42.06 feet of Lot 6 of Tract No. 48906, In the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 1288 Pages 44 to 52 inclusive of Maps, in the Office of the County Recorder of said County, measured at right angles from the Southeasterly line of said Lot 6 shown on the map of said Tract No. 48906 as having a bearing of North 61°27'35" East and a length of 212.57 feet.

Together with Lot 7 of said Tract No. 48906.

Except therefrom the Southeasterly 45.48 feet of said Lot 7, measured at right angles from the Southeasterly line of said Lot 7 shown on the map of said Tract No. 48906 as having a bearing of North 61°27'35" East and a length of 218.94 feet. Said land is shown as Parcel 3 on Lot Line Adjustment recorded December 23, 2004 as Instrument No. 04-3328129.

Except therefrom 100 percent of all oil, gas and other hydrocarbon substances under those portions of land above described, without however, any right to enter upon the surface of said land or that portion of the subsurface thereof lying above a depth of 500 feet, measured vertically from said surface, for any purpose whatsoever, as reserved in deed from James Cagney, et ux., recorded September 17, 1964 as Instrument No. 1560, Official Records.

Parcel 8:

The Southeasterly 45.48 feet of Lot 7 of Tract No. 48906, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 1288 Pages 44 to 52 inclusive of Maps, in the Office of the County Recorder of said County, measured at right angles from the Southeasterly line of said Lot 7 shown on the map of said Tract No. 48906 as having a bearing of North 61°27'35" East and a length of 218.94 feet.

Together with the Northwesterly 57.52 feet of Lot 8 of said Tract No. 48906, measured at right angles to the Northwesterly line of said Lot 8 shown on the map of said Tract No. 48906 as having a bearing of North 61°27'35" East and a length of 218.94 feet. Said land is shown as Parcel 1 on Lot Line Adjustment recorded December 23, 2004 as Instrument No. 04-3328131.

Except therefrom 100 percent of all oil, gas and other hydrocarbon substances under those portions of land above described, without however, any right to enter upon the surface of said land or that portion of the subsurface thereof lying above a depth of 500 feet, measured vertically from said surface, for any purpose whatsoever, as reserved in deed from James Cagney, et ux., recorded September 17, 1964 as Instrument No. 1560, Official Records.

Parcel 9:

Lot 8 of Tract No. 48906, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 1288 Pages 44 to 52 inclusive of Maps, in the Office of the County Recorder of said County.

Except therefrom the Northwesterly 57.52 feet of Lot 8 of said Tract No. 48906, measured at right angles to the Northwesterly line of said Lot 8 shown on the map of said Tract No. 48906 as having a bearing of North 61°27'35" East and a length of 218.94 feet.

Together with that portion of Lot 9 of said Tract No. 48906 lying Northwesterly of the following described line:

Beginning at the most Northerly corner of said Lot 9; thence South 28°43'34" East 21.58 feet along the Northeast line of aid Lot 9 to the true point of beginning for this description; thence

South 61°27'35" West 230.35 feet, more or less, to a point on the Southwest line of said Lot 9, said point being distant 25.82 feet Southeasterly along said line from the Northwesterly terminus thereof. Said land is shown as Parcel 2 on Lot Line Adjustment recorded December 23, 2004 as Instrument No. 04-3328131.

Except therefrom 100 percent of ail oil, gas and other hydrocarbon substances under those portions of land above described, without however, any right to enter upon the surface of said land or that portion of the subsurface thereof lying above a depth of 500 feet, measured vertically from said surface, for any purpose whatsoever, as reserved in deed from James Cagney, et ux., recorded September 17, 1964 as Instrument No. 1560, Official Records.

Parcel 10:

Lot 9 of Tract No. 48906, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 1288 Pages 44 to 52 inclusive of Maps, in the Office of the County Recorder of said County.

Except therefrom that portion of Lot 9 of said Tract No. 48906 lying Northwesterly of the following described line:

Beginning at the most Northerly corner of said Lot 9; thence South 28°43'34" East 21.58 feet along the Northeast line of said Lot 9 to the true point of beginning for this description; thence South 61°27'35" West 230.35 feet, more or less, to a point on the Southwest line of said Lot 9, said point being distant 25.82 feet Southeasterly along said line from the Northwesterly terminus thereof.

Together with that portion of Lot 10 of said Tract No. 48906 lying Northwesterly of the following described line:

Beginning at the most Northerly corner of said Lot 10; thence South 28°43'34" East 10.08 feet along the Northeast line of said Lot 10 to the true point of beginning for this description; thence South 61°27'35" West 236.49 feet, more or less, to a point on the Southwest line of said Lot 10, said point being distant 14.42 feet Southeasterly along said line from the Northwesterly terminus thereof. Said land is shown as Parcel 3 on Lot Line Adjustment recorded December 23, 2004 as Instrument No. 04-3328131.

Except therefrom 100 percent of all oil, gas and other hydrocarbon substances under those portions of land above described, without however, any right to enter upon the surface of said land or that portion of the subsurface thereof lying above a depth of 500 feet, measured vertically from said surface, for any purpose whatsoever, as reserved in deed from James Cagney, et ux., recorded September 17, 1964 as Instrument No. 1560, Official Records.

Parcel 11:

That portion of Lot 10 of Tract No. 48906, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 1288 Pages 44 to 52 inclusive of Maps, in the Office of the County Recorder of said County lying Southeasterly of the following described line:

Beginning at the most Northerly corner of said Lot 10; thence South 28°43'34" East 10.08 feet along the Northeast line of said Lot 10 to the true point of beginning for this description; thence South 61°27'35" West 236.49 feet, more or less, to a point on the Southwest line of said Lot 10, said point being distant 14.2 feet Southeasterly along said line from the Northwesterly terminus thereof.

Together with those portions of Lots 11 and 12 of said Tract No. 48906 lying Southwesterly and Northwesterly of the following described line:

Beginning at the Southeast corner of said Lot 10 thence South 26°53'29" West 44.67 feet; thence South 61°27'35" West 205.81 feet, more or less, to a point on the curved Southwest line of said Lot 11, said curve shown on the map of said Tract No. 48906 as being concave Northeasterly having a radius of 193.00 feet and a length of 156.11 feet, a radial to said point bears South 58°38'55" West, said point being distant 22.21 feet Southerly along said curved line from the Northwesterly terminus thereof. Said land is shown as Parcel 1 on Lot Line Adjustment recorded December 23, 2004 as Instrument No. 04-3328133.

Except therefrom 100 percent of all oil, gas and other hydrocarbon substances under those portions of land above described, without however, any right to enter upon the surface of said land or that portion of the subsurface thereof lying above a depth of 500 feet, measured vertically from said surface, for any purpose whatsoever, as reserved in deed from James Cagney, et ux., recorded September 17, 1964 as Instrument No. 1560, Official Records.

Parcel 12:

Those portions of Lots 11 and 12 of Tract No. 48906, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 1288 Pages 44 to 52 inclusive of Maps, in the Office of the County Recorder of said County lying Northeasterly and Southeasterly of the following described line:

Beginning at the Southeast corner of said Lot 10 thence South 26°53'29" West 44.67 feet; thence South 61°27'35" West 205.81 feet, more or less, to a point on the curved Southwest line of said Lot 11, said curve shown on the map of said Tract No. 48906 as being concave Northeasterly having a radius of 193.00 feet and a length of 156.11 feet, a radial to said point bears South 58°38'55" West, said point being distant 22.21 feet Southerly along said curved line from the Northwesterly terminus thereof.

Except therefrom that portion of said Lot 12 lying Southeasterly of the following describe line:

Beginning at the Northwesterly corner of said Lot 12; thence North 61°16'26" East 53.11 feet along the North Line of said Lot 12 to the true point of beginning for this description; thence South 26°53'29" West 302.31 feet, more or less, to a point on that certain course in the Southerly line of said Lot 12 shown on the map of said Tract No. 48906 as having a bearing of North 71°06'07" West and a length of 130.10 feet, said point being distant 30.28 feet Southeasterly along said line from the Northwesterly terminus thereof. Said land is shown as Parcel 2 on Lot Line Adjustment recorded December 23, 2004 as Instrument No. 04-3328133.

Except therefrom 100 percent of all oil, gas and other hydrocarbon substances under those portions of land above described, without however, any right to enter upon the surface of said land or that portion of the subsurface thereof lying above a depth of 500 feet, measured vertically from said surface, for any purpose whatsoever, as reserved in deed from James Cagney, et ux., recorded September 17, 1964 as Instrument No. 1560, Official Records.

Parcel 13:

Those portions of Lots 12 and 13 of Tract No. 48906, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 1288 Pages 44 to 52 inclusive of Maps, in the Office of the County Recorder of said County lying Southeasterly of the following described line:

Beginning at the Northwesterly corner of said Lot 12; thence North 61°16'26" East 53.11 feet along the North line of said Lot 12 to the true point of beginning for this description; thence South 26°53'29" west 302.31 feet, more or less, to a point on that certain course in the Southerly line of said Lot 12 shown on the map of said Tract No. 48906 as having a bearing of North 71°06'07" west and a length of 130.10 feet, said point being distant 30.28 feet Southeasterly along said line from the Northwesterly terminus thereof.

Except therefrom that portion of said Lot 13 lying Southeasterly of the following described line:

Beginning at the most Northerly corner of said Lot 13; thence South 28°43'34" East 38.51 feet along the East line of said Lot 13 to the true point of beginning for this description; thence South 26°53'29" West 418.53 feet, more or less, to a point on the curved Southwesterly line of said Lot 13 shown on the map of said Tract No. 48906 as being concave Southwesterly and having a radius of 275.00 feet and a length of 102.42 feet, a radial to said point bears North 26°58'46" East, said point being distant 33.25 feet Southeasterly along said curve from the Southwesterly corner of said Lot 13. Said land is shown as Parcel 3 on Lot Line Adjustment recorded December 23, 2004 as Instrument No. 04-3328133.

Except therefrom 100 percent of all oil, gas and other hydrocarbon substances under those portions of land above described, without however, any right to enter upon the surface of said land or that portion of the subsurface thereof lying above a depth of 500 feet, measured vertically from said surface, for any purpose whatsoever, as reserved in deed from James Cagney, et ux., recorded September 17, 1964 as Instrument No. 1560, Official Records.

Parcel 14:

Those portions of Lots 13 and 14 of Tract No. 48906, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 1288 Pages 44 to 52 inclusive of Maps, in the Office of the County Recorder of said County lying Southeasterly of the following described line:

Beginning at the most Northerly corner of said Lot 13; thence South 28°43'34" East 38.51 feet along the East line of said Lot 13 to the true point of beginning for this description; thence South 26°53'29" West 418.53 feet, more or less, to a point on the curved Southwesterly line of said Lot 13 shown on the map of said Tract No. 48906 as being concave Southwesterly and having a radius of 275.00 feet and a length of 102.42 feet, a radial to said point bears North 26°58'46" East, said point being distant 33.25 feet Southeasterly along said curve from the most Westerly corner of said Lot 13.

Except therefrom those portions of said Lots 13 and 14 lying Southeasterly of the following described line:

Beginning at the most Northerly corner of said Lot 13, thence South 28°48'34" East 229.84 feet along the East line of said Lot 13 to the true point of beginning for this description; thence South 32°59'44" West 340.99 feet, more or less, to a point on the curved Southwesterly line of said Lot 14 shown on the map of said Tract No. 48906 as being concave Southwesterly having a radius of 275.00 feet and a length of 104.74 feet, a radial to said point bears North 53°14'38" East, said point being distant 56.88 feet Southeasterly along said curved line from the most Westerly corner of said Lot 14. Said land is shown as Parcel 1 on Lot Line Adjustment recorded December 23, 2004 as Instrument No. 04-3328137.

Except therefrom 100 percent of all oil, gas and other hydrocarbon substances under those portions of land above described, without however, any right to enter upon the surface of said land or that portion of the subsurface thereof lying above a depth of 500 feet, measured vertically from said surface, for any purpose whatsoever, as reserved in deed from James Cagney, et ux., recorded September 17, 1964 as Instrument No. 1560, Official Records.

Parcel 15:

Those portions of Lots 13 and 14 of Tract No. 48906, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 1288 Pages 44 to 52 inclusive of Maps, in the Office of the County Recorder of said County lying Southeasterly of the following described line:

Beginning at the most Northerly corner of said Lot 13; thence South 28°43'34" East 229.84 feet along the East line of said Lot 13 to the true point of beginning for this description; thence South 32°59'44" West 340.99 feet, more or less, to a point on the curved Southwesterly line of said Lot 14 shown on the map of said Tract No. 48906 as being concave Southwesterly having a radius of 275.00 feet and a length of 104.74 feet, a radial to said point bears North 53°14'38" East, said point being distant 56.88 feet Southeasterly along said curved line from the most Westerly corner of said Lot 14.

Together with that portion of Lot 15 of said Tract No. 48906 lying Northwesterly of the following described line:

Beginning at the most Northerly corner of said Lot 15; thence South 28°43'34" East 5.43 feet along the East line of said Lot 15 to the true point of beginning for this description; thence South 38°35'12" West 254.44 feet; thence South 78°43'54" West 68.00 feet, more or less, to a point on the curved West line of said Lot 15 shown on the map of said Tract No. 48906 as being concave Westerly having a radius of 275.00 feet and a length of 70.34 feet, a radial to said point bears North 68°12'55" East, said point being distant 33.60 feet Southerly along said curved line from the Northwesterly corner of said Lot 15. Said land is shown as Parcel 2 on Lot Line Adjustment recorded December 23, 2004 as Instrument No. 04-3328137.

Except therefrom 100 percent of all oil, gas and other hydrocarbon substances under those portions of land above described, without however, any right to enter upon the surface of said land or that portion of the subsurface thereof lying above a depth of 500 feet, measured vertically from said surface, for any purpose whatsoever, as reserved in deed from James Cagney, et ux., recorded September 17, 1964 as Instrument No. 1560, Official Records.

Parcel 16:

THOSE PORTIONS OF LOTS 15 AND 16 OF TRACT NO. 48906, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 1288 PAGES 44 TO 52 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, BOUNDED AS FOLLOWS:

BOUNDED NORTHERLY BY THE SOUTHERLY LINE OF PARCEL 2 OF LOT LINE ADJUSTMENT NO. 2004-4086 RECORDED DECEMBER 23, 2004 AS INSTRUMENT 04-3328137;

BOUNDED EASTERLY BY THE EASTERLY LINES OF SAID LOTS 15 AND 16;

BOUNDED WESTERLY BY THE EASTERLY LINE OF THE RIGHT OF WAY OF LONGACRE AVENUE, AS SHOWN ON THE MAP OF SAID TRACT NO. 48906;

BOUNDED SOUTHERLY BY THE NORTHERLY LINE OF PARCEL 2 OF LOT LINE ADJUSTMENT NO. 2004-4083 RECORDED DECEMBER 23, 2004 AS INSTRUMENT NO. 04-3328135;

SAID LAND SHOWN AS PARCEL 3 (REVISED LOT 16) ON LOT UNE ADJUSTMENT NO. 2004-4086 RECORDED DECEMBER 23, 2004 AS INSTRUMENT NO. 04-3328137, OFFICIAL RECORDS.

EXCEPT THEREFROM 100% OF ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES UNDER THOSE PORTIONS OF LAND ABOVE DESCRIBED, WITHOUT HOWEVER, ANY RIGHT TO ENTER UPON THE SURFACE OF SAID LAND OR THAT PORTION OF THE SUBSURFACE THEREOF LYING ABOVE A DEPTH OF 500 FEET, MEASURED VERTICALLY FROM SAID SURFACE, FOR ANY PURPOSE WHATSOEVER, AS RESERVED IN DEED FROM JAMES CAGNEY, ET UX., RECORDED SEPTEMBER 17, 1964 AS INSTRUMENT NO, 1560, OFFICIAL RECORDS.

Parcel 17:

INTENTIONALLY DELETED.

Parcel 18:

That portion of Lot 16 of Tract No. 48906, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 1288 Pages 44 to 52 inclusive of Maps, in the Office of the County Recorder of said County lying Southerly of the following *described* line:

Beginning at a point on the Easterly line of said Lot 16 distant South 21°51'42" East 180.24 feet along said line from the Northerly terminus thereof; thence North 79°37'20" West 190.09 feet; thence South 86°53'13" West 57.99 feet to a point on the curved West line of said Lot 16 shown on the map of said Tract No. 48906 as being concave Westerly having a radius of 275.00 feet and a length of 108.03 feet, a radial to said point bears South 86°51'19" East, said point being distant 73.32 feet Southerly along said curved line from the Northwestern corner of said Lot 16.

Together with Lot 17 of said Tract No. 48906.

Except therefrom the Southerly 52.92 feet of said Lot 17, measured at right angles from the Southerly line of said Lot 17 shown on the map of said Tract No. 4806 as having a bearing of North 72°18'29" West and a length of 220.81 feet. Said land is shown as Parcel 2 on Lot Line Adjustment recorded December 23, 2004 as Instrument No. 04-3328135.

Except therefrom 100 percent of all oil, gas and other hydrocarbon substances under those portions of land above described, without however, any right to enter upon the surface of said land or that portion of the subsurface thereof lying above a depth of 500 feet, measured vertically from said surface, for any purpose whatsoever, as reserved in deed from James Cagney, et ux., recorded September 17, 1964 as Instrument No. 1560, Official Records.

Parcel 19:

The Southerly 52.92 feet of Lot 17 of Tract No. 48906, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 1288 Pages 44 to 52 inclusive of Maps, in the Office of the County Recorder of said County, measured at right angles from the Southerly line of said Lot 17 shown on the map of said Tract No. 48906 as having a bearing of North 72°18'29" West and a length of 220.81 feet.

Together with Lot 18 of said Tract No. 48906.

Except therefrom the Southerly 26.76 feet of said Lot 18, measured at right angles from the Southerly line of said Lot 18 shown on the map of said Tract No. 48906 as having a bearing of North 72°18'29" West and a length of 213.88 feet. Said land is shown as Parcel 3 on Lot Line Adjustment recorded December 23, 2004 as Instrument No. 04-3328135.

Except therefrom 100 percent of all oil, gas and other hydrocarbon substances under those portions of land above described, without however, any right to enter upon the surface of said land or that portion of the subsurface thereof lying above a depth of 500 feet, measured vertically from said surface, for any purpose whatsoever, as reserved in deed from James Cagney, et ux., recorded September 17, 1964 as Instrument No. 1560, Official Records.

Parcel 20:

Lot 19 of Tract No. 48906, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 1288 Pages 44 to 52 inclusive of Maps, in the Office of the County Recorder of said County.

Together with the Southerly 26.76 feet of Lot 18 of said Tract No. 48906, measured at right angles from the Southerly line of said Lot 18 shown on the map of said Tract No. 48906 as having a bearing of North 72°18'29" West and a length of 213.88 feet. Said land is shown as Parcel 4 on Lot Line Adjustment recorded December 23, 2004 as Instrument No. 04-3328135.

Except therefrom 100 percent of all oil, gas and other hydrocarbon substances under those portions of land above described, without however, any right to enter upon the surface of said land or that portion of the subsurface thereof lying above a depth of 500 feet, measured vertically from said surface, for any purpose whatsoever, as reserved in deed from James Cagney, et ux., recorded September 17, 1964 as Instrument No. 1560, Official Records.

Parcel 21:

Those portions of Lots 20 and 46 of Tract No. 48906, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 1288 Pages 44 to 52 inclusive of Maps, in the Office of the County Recorder of said County described as follows:

Beginning at a point on the curved North line of said Lot 20 shown on the map of said Tract No. 48906 as being a curve concave Northerly having a radius of 40.00 feet and an arc length of 165.50 feet, said point being distant 34.39 feet Southeasterly along said curve from the Northwesternly terminus thereof, a radial to said point bears South 41°24'55" West; thence South 71°17'03" West 49.81 feet; thence South 20°21'44" West 76.04 feet; thence South 82°49'50" West 534.70 feet; thence North 29°26'15" West 58.61 feet; thence North 8°14'35" West 124.84 feet, more or less, to a point on the North line of said Lot 46, said line also being the South line of Longacre Avenue, 50 feet wide, as shown on said map of said Tract No. 48906 as having a bearing of North 83°46'15" East and a length of 44.14 feet; thence along said South line North 83°46'15" East 9.94 feet to the beginning of a tangent curve concave Southerly having a radius of 225.00 feet and a length of 143.29 feet; thence continuing Easterly and Southeasterly along said South line of said Longacre Avenue to the point of beginning. Said land is shown as Parcel 1 on Lot Line Adjustment recorded December 23, 2004 as Instrument No. 04-3328125.

Except therefrom 100 percent of all oil, gas and other hydrocarbon substances under those portions of land above described, without however, any right to enter upon the surface of said land or that portion of the subsurface thereof lying above a depth of 500 feet, measured vertically from said surface, for any purpose whatsoever, as reserved in deed from James Cagney, et ux., recorded September 17, 1964 as Instrument No. 1560, Official Records.

Parcel 22:

Those portions of Lots 20, 21, and 46 of Tract No. 48906, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 1288 Pages 44 to 52 inclusive of Maps, in the Office of the County Recorder of said County lying Northerly and Easterly of the following described line:

Beginning at a point on the curved North line of said Lot 20 shown on the map of said Tract No. 48906 as being a curve concave Northerly having a radius of 40.00 feet and an arc length of 165.50 feet, said point being distant 34.39 feet Southeasterly along said curve from the Northwesternly terminus thereof, a radial to said point bears South 41°24'55" West; thence South 71°17'03" West 49.81 feet; thence South 20°21'44" West 76.04 feet; thence South 82°49'50" West 187.20 feet to a point on that certain course in the Southwest line of said Lot 21 shown on the map of said Tract No. 48906 as having a bearing of North 48°22'15" West and a length of 218.67 feet, said point being distant 141.24 feet Southeasterly along said line from the Northwesternly terminus thereof; thence North 48°22'15" West 141.24 feet to the most Westerly corner of said Lot 21.

Except therefrom those portions of said Lots 20 and 46 lying Northerly and Easterly of the following described line:

Beginning at a point on the curved North Line of said Lot 20 shown on the map of said Tract No, 48906 as being a curve concave Northerly having a radius of 40.00 feet and an arc length of 165.50 feet, said point being distant 34.39 feet Southeasterly along said curve from the Northwesternly terminus thereof, a radial to said point bears South 41°24'55" West; thence South

71°17'03" West 49.81 feet; thence South 20°21'44" West 76.04 feet; thence South 82°49'50" West 53.70 feet to the true point of beginning for this description; thence North 29°26'15" West 58.61 feet; thence North 8°14'35" West 124.84 feet, more or less, to a point on the North line of said Lot 46, said line also being the South line of Longacre Avenue, 50 feet wide, as shown on said map of said Tract No. 48906 as having a bearing of North 83°46'15" East and a length of 44.14 feet, said point being distant 9.94 feet Westerly along said line from the Easterly terminus thereof. Said land is shown as Parcel 2 on Lot Line Adjustment recorded December 23, 2004 as Instrument No. 04-3328125

Except therefrom 100 percent of all oil, gas and other hydrocarbon substances under those portions of land above described, without however, any right to enter upon the surface of said land or that portion of the subsurface thereof lying above a depth of 500 feet, measured vertically from said surface, for any purpose whatsoever, as reserved in deed from James Cagney, et ux., recorded September 17, 1964 as Instrument No. 1560, Official Records.

Parcel 23:

Those portions of Lots 20, 21, and 46 of Tract No. 4806, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 1288 Pages 44 to 52 inclusive of Maps, in the Office of the County Recorder of said County lying Southeasterly, Southerly and Southwesterly of the following described line:

Beginning at a point on the curved North line of said Lot 20 shown on the map of said Tract No. 48906 as being a curve concave Northerly having a radius of 40.00 feet and an arc length of 165.50 feet, said point being distant 34.39 feet Southeasterly along said curve from the Northwestern terminus thereof, a radial to said point bears South 41°24'55" West; thence South 71°17'03" West 49.81 feet; thence South 20°21'44" West 76.04 feet; thence South 82°49'50" West 187.20 feet to a point on that certain course in the Southwest line of said Lot 21 shown on the map of said Tract No. 48906 as having a bearing of North 48°22'15" West and a length of 218.87 feet, said point being distant 141.24 feet Southeasterly along said line from the Northwestern terminus thereof; thence along said Southwest line North 48°22'15" West 141.24 feet to the most Westerly corner of said Lot 21. Said land is shown as Parcel 3 on Lot Line Adjustment recorded December 23, 2004 as Instrument No. 04-3328125.

Except therefrom 100 percent of all oil, gas and other hydrocarbon substances under those portions of land above described, without however, any right to enter upon the surface of said land or that portion of the subsurface thereof lying above a depth of 500 feet, measured vertically from said surface, for any purpose whatsoever, as reserved in deed from James Cagney, et ux., recorded September 17, 1964 as Instrument No. 1560, Official Records.

Parcel 24:

Lot 35 of Tract No. 48906, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 1288 Pages 44 to 52 inclusive of Maps, in the Office of the County Recorder of said County.

And that portion of Lot 36 of said Tract No. 48906 lying Easterly of the following described line:

Beginning at the most Southerly corner of said Lot 36; thence along the Southwesterly line of said Lot 36 North 26°26'52" West 12.00 feet to the true point of beginning for this description; thence in a direct line North 23°55'49" East 294.75 feet, more or less, to a point on the Westerly line of Clydesdale Road, said last line being the curved Easterly line of said Lot 36, a radial line to said point bears South 25°47'01" West. Said land is shown as Parcel 1 on Lot Line Adjustment recorded December 23, 2004 as Instrument No. 04-3328123.

Except therefrom 100 percent of all oil, gas and other hydrocarbon substances under those portions of land above described, without however, any right to enter upon the surface of said land or that portion of the subsurface thereof lying above a depth of 500 feet, measured

vertically from said surface, for any purpose whatsoever, as reserved in deed from James Cagney, et ux., recorded September 17, 1964 as Instrument No. 1560, Official Records.

Parcel 25:

That portion of Lot 36 of Tract No. 48906, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 1288 Pages 44 to 52 inclusive of Maps, in the Office of the County Recorder of said County lying Westerly of the following described line:

Beginning at the most Southerly corner of said Lot 36; thence along the Southwesterly line of said Lot 36 North 26°26'52" West 12.00 feet to the true point of beginning for this description; thence in a direct line North 23°55'49" East 294.57 feet, more or less, to a point on the Westerly line of Clydesdale Road, said last line being the curved Easterly line of said Lot 36, a radial line to said point bears South 25°47'01" West.

And those portions of said Lot 36 and Lot 37 of said Tract No. 48906 lying Southerly and Southeasterly of the following described line:

Beginning at the most Westerly corner of said Lot 36; thence South 24°10'11" East 65.10 feet along the Southwesterly line of said Lot 36 to the true point of beginning for this description; thence North 62°39'24" East 352.85 feet; thence South 57°59'57" East 107.28 feet; thence South 74°22'28" East 44.73 feet, more or less, to the Northeasterly corner of said Lot 36, said point being the Northerly terminus of the curved Easterly line of said Lot 36, said point also being the Easterly terminus of the North line of said Lot 36 shown on the map of said Tract No. 48906 as having a bearing of North 65°27'51" West and a length of 238.68 feet. Said land is shown as Parcel 2 on Lot Line Adjustment recorded December 23, 2004 as Instrument No. 04-3328123.

Except therefrom 100 percent of all oil, gas and other hydrocarbon substances under those portions of land above described, without however, any right to enter upon the surface of said land or that portion of the subsurface thereof lying above a depth of 500 feet, measured vertically from said surface, for any purpose whatsoever, as reserved in deed from James Cagney, et ux., recorded September 17, 1964 as Instrument No. 1560, Official Records.

Parcel 26:

Those portions of Lots 36 and 37 of Tract No. 48906, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 1288 Pages 44 to 52 inclusive of Maps, in the Office of the County Recorder of said County lying Northwesterly and Northerly of the following described line:

Beginning at the most Westerly corner of said Lot 36; thence South 24°10'11" East 65.10 feet along the Southwesterly line of said Lot 36 to the true point of beginning for this description; thence North 62°39'24" East 352.85 feet; thence South 57°59'57" East 107.28 feet; thence South 74°22'28" East 44.73 feet, more or less, to the Northeasterly corner of said Lot 36, said point being the Northerly terminus of the curved Easterly line of said Lot 36, said point also being the Easterly terminus of the North line of said Lot 36 shown on the map of said Tract No. 48906 as having a bearing of North 65°27'51" West and a length of 238.68 feet. Said land is shown as Parcel 3 on Lot line Adjustment recorded December 23, 2004 as Instrument No. 04-3328123.

Except therefrom 100 percent of all oil, gas and other hydrocarbon substances under those portions of land above described, without however, any right to enter upon the surface of said land or that portion of the subsurface thereof lying above a depth of 500 feet, measured vertically from said surface, for any purpose whatsoever, as reserved in deed from James Cagney, et ux., recorded September 17, 1964 as Instrument No. 1560, Official Records.

Parcel 27:

Those portions of Lots 41 and 42 of Tract No. 48906, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 1288 Pages 44 to 52 inclusive of Maps, in the Office of the County Recorder of said County lying Easterly of the following described line:

Beginning at the Northwest corner of said Lot 41 thence South 6°45'49" East 178.39 feet in a direct line to a point in the Southeasterly line of said Lot 42, said point being distant South 62°39'24" West 22.79 feet along said line from the most Easterly corner of said Lot 42. Said land is shown as Parcel 1 on Lot Line Adjustment recorded December 23, 2004 as Instrument No. 04-3328121.

Except therefrom 100 percent of all oil, gas and other hydrocarbon substances under those portions of land above described, without however, any right to enter upon the surface of said land or that portion of the subsurface thereof lying above a depth of 500 feet, measured vertically from said surface, for any purpose whatsoever, as reserved in deed from James Cagney, et ux., recorded September 17, 1964 as Instrument No. 1560, Official Records.

Parcel 28:

Those portions of Lots 41 and 42 of Tract No. 48906, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 1288 Pages 44 to 52 inclusive of Maps, in the Office of the County Recorder of said County lying Westerly of the following described line:

Beginning at the Northwest corner of said Lot 41 thence South 6°45'49" East 178.39 feet in a direct line to a point in the Southeasterly line of said Lot 42, said point being distant South 62°39'24" West 22.79 feet along said line from the most Easterly corner of said Lot 42. Said land is shown as Parcel 2 on Lot Line Adjustment recorded December 23, 2004 as Instrument No. 04-3328121.

Except therefrom 100 percent of all oil, gas and other hydrocarbon substances under those portions of land above described, without however, any right to enter upon the surface of said land or that portion of the subsurface thereof lying above a depth of 500 feet, measured vertically from said surface, for any purpose whatsoever, as reserved in deed from James Cagney, et ux., recorded September 17, 1964 as Instrument No. 1560, Official Records.

Parcel 29:

Lot 43 of Tract No. 48906, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 1288 Pages 44 to 52 inclusive of Maps, in the Office of the County Recorder of said County.

Except therefrom that portion of said Lot 43 lying Northeasterly of the Northwesterly prolongation of that certain course in the East line of said Lot 43 having a bearing of North 60°56'04" West and a length of 95.19 feet. Said land is shown as Parcel 3 on Lot Line Adjustment recorded December 23, 2004 as Instrument No. 04-3328121.

Except therefrom 100 percent of all oil, gas and other hydrocarbon substances under those portions of land above described, without however, any right to enter upon the surface of said land or that portion of the subsurface thereof lying above a depth of 500 feet, measured vertically from said surface, for any purpose whatsoever, as reserved in deed from James Cagney, et ux., recorded September 17, 1964 as Instrument No. 1560, Official Records.

Parcel 30:

Lot 44 of Tract No. 48906, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 1288 Pages 44 to 52 inclusive of Maps, in the Office of the County Recorder of said County.

Together with that portion of Lot 43 of said Tract No. 48906 lying Northeasterly of the Northwesterly prolongation of that certain course in the East line of said Lot 43 having a bearing of North60°56'04" we4st and a length of 95.19 feet. Said land is shown as Parcel 4 on Lot Line Adjustment recorded December 23, 2004 as Instrument No. 04-3328121.

Except therefrom 100 percent of all oil, gas and other hydrocarbon substances under those portions of land above described, without however, any right to enter upon the surface of said land or that portion of the subsurface thereof lying above a depth of 500 feet, measured vertically from said surface, for any purpose whatsoever, as reserved in deed from James Cagney, et ux., recorded September 17, 1964 as Instrument No. 1560, Official Records.

APN: 2601-075-001 to 047.