

**BEAR BRAND RANCH  
HOMEOWNERS ASSOCIATION**

# **POLICY MANUAL**

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## **ELECTIONS**

The election of Board members is to be by secret ballot and votes counted at the annual meeting (usually scheduled in October of every year with each annual meeting date no earlier or later than 30 days of the calendar date of the previous annual meeting).

The Board of Directors, numbering 5, will be elected annually with two elected for two year terms during one annual election cycle and three elected for two year terms in the subsequent annual election cycle.

In conformance with California Civil Code 1363, the Board has established the following policy regarding elections.

1. All candidates for elective office (Board of Directors) will be provided equal access to the membership for their campaign.
2. Voting powers are invested in homeowners of record and consist of one vote per unit ownership.
3. Owners may grant proxies to any individual, the Board of Directors, or any Director to vote on their behalf.
4. The voting period is established as thirty days prior to the date of the annual meeting (at which time the ballots will be counted) and will end at 5 pm on the day before the date of the annual meeting.
5. A Director may be any individual age 21 or older. A Director must be a homeowner.
6. Candidates for election as Directors may be nominated by the nominating committee, nominate themselves prior to the annual meeting, or nominated by any homeowner from the floor at the annual meeting.
7. Cumulative voting is allowed (i.e., if there are 3 vacancies to be filled, a homeowner may allot all three votes to one candidate, two votes to one candidate and one vote to a second candidate, or one vote to each candidate).
8. Any vote on assessments, elections, amendments, and granting an owner exclusive access to a portion of the common area must be done by secret, written ballot.
9. Thirty days prior to any vote on any of the issues in item 8, the Association must distribute to all owners a ballot plus two envelopes – an outer envelope containing the owner's name and an inner envelope without the owner's name containing the ballot.

10. Election inspectors will be selected by the presiding officer at the annual election from all homeowners who volunteer to serve as inspectors. There shall be no preference shown in the selection process and all who volunteer will be named as inspectors. The Board may employ an outside agency to receive the ballots and open them at the meeting.
11. The duties of inspectors are to oversee the counting of votes that is carried out at the annual meeting.
12. Ballots and proxies may not be opened as they are received by the Association, but must be done in public at an open meeting. Any one may observe the counting.
13. All ballots and proxies will be maintained and available for inspection by the members for a period of 12 months after the election.
14. No Association funds can be utilized to endorse candidates.

California Civil Code 1363. Enacted 2006.

## BOARD MEETINGS

The Board shall establish a meeting schedule in compliance with the governing documents so that at least two of the meetings are held at a place allowing members to attend in person. Other meetings may be held via teleconference.

All Board meetings are to be noticed to the membership at least 4 days prior to the meeting date unless the meeting is an emergency in which case as much notice as possible is given to the membership.

No action will be taken in Executive session. If a matter that has been discussed in Executive session requires action, such action will be taken after the Executive session is ended and the Board resumes its public meeting.

### OFFICERS

#### 1. President

- a. Via e-mail to members with addresses on file, distributes a preliminary agenda prior to each meeting.
- b. Votes only in the event of a tie.

#### 2. Vice-President

- a. generally serves as Chairman of the Nominating Committee
- b. assumes the responsibilities of the President during his/her absences

#### 3. Secretary

- a. Serves as proxy-holder for proxies granted to the Board.
- b. Maintains a file of current e-mail addresses for all members who wish to receive board correspondence electronically.
- c. Via e-mail to members with addresses on file, distributes draft minutes within 14 days of each meeting.

#### 4. Treasurer

- a. Serves as the Association's principal contact with its independent accounting firm.
- b. By April 1 presents an operating budget for the upcoming fiscal year (July 1 –June 30) and supervises its distribution to the membership.
- c. At the June meeting (telephonic) presents a final budget for adoption by the board.

### COMMITTEES

#### 1. Standing Committees

##### a. Governing Documents Committee.

Two board members meet at least annually (and with the Association's legal counsel if deemed necessary) to review By-laws and Declaration of CC&Rs. If the committee believes amendments are needed, it makes its recommendations to the board at least four months prior to the annual meeting so that they can be considered by the board before presentation to members.

## 2. Nominating Committee

Chairman appointed by the President. Three members recommend candidates for election to the board at annual meetings and to fill vacancies that may occur between annual meetings. The committee confirms that recommended candidates are qualified to serve under Association By-laws and provides biographical sketches of these candidates (at least three months prior to the annual meeting) so that the information (candidate statement) can be distributed to all members in the ballot envelopes.

At least one of these three members must be a board member. One or both of the other members will usually be board members, but if not, they must be members of the Association.

## 3. Architectural Design Committee

Chairman and members appointed by the President.  
A committee of at least three members, one of whom must be a board member.  
Duties as specified in the CC&Rs of the Association.

## 4. Landscape Committee

Chairperson and members appointed by the President  
Consults with the landscape contractor regarding the installation and maintenance of trees, plants and other landscape materials and all common areas.  
Establishes standards and guidelines for approval by the Board regarding installation of any items to the common areas.

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## 2. AD HOC COMMITTEES

As provided in the By-laws, the board may appoint committees from time-to-time on an “as needed” basis – such as a “Compliance Committee,” “Construction Bid Review Committee” “Antenna Placement Committee”, “Website Supervisory Committee” – to assist the board in its deliberations in these matters.

Such committees will serve for specified periods of time and may consist of numbers as few as one member of the Association.

## MEETINGS

**1. Schedule.** As soon as practical following each annual meeting, the board will schedule the next year’s annual meeting and all regular board meetings for the interim. Upon adoption by the board, this schedule will be distributed to members via e-mail, and will be recorded in meeting minutes – available on request by members without e-mail addresses on file.

**2. Location.** The board will determine locations for these meetings at the same time, and distribute that information along with the schedules.

**3. Annual Meeting.** Usually, annual meetings will be scheduled for a mid-week evening to avoid disruption of members’ work schedules, and at locations convenient to the largest number of members. To encourage attendance, the board may plan a dinner or other event to coincide with the meeting.

**4. Notice.** In addition to distribution of the annual meeting schedule, which may change, notice of every regular meeting should be included in the monthly dues statement from the accountants; distributed via e-mail to members whose addresses are on file; as well as posted at the guard gates. The board should strive to deliver these notices at least 10 days prior to any meeting even though the California Civil Code requires only a 4 day notice.

**5. Executive Session.** The board should strive to avoid Executive Sessions entirely. The board should adjourn to executive session only when it believes a legal right to privacy is at stake, and not merely because open discussion might cause discomfort or embarrassment. Discomfort may be healthy, and the avoidance of embarrassment often encourages greater civility.

**6. Quorums and majorities.** Different requirements for different purposes.

**a. Annual and Special Meetings of Members.** At least 50% of the total votes of all members are required for a quorum – that is, at least 64 homeowners must be represented in person, by proxy, or submitted completed ballots for the meeting to be called to order. In an election of Directors, not all 64 must vote, but 64 must be represented in the meeting.

The membership is rarely called upon to vote, and when it is, a simple majority of a quorum is not sufficient to pass any motion. Amendments to the Association's governing documents, and removal of the Board of Directors, require a majority of all members for passage – that is, at least 64 votes.

**b. Regular and Special Meetings of the Board.** At least 50% of the board must be present to form a quorum, and any or all of those board members may participate via telephone.

The board alone has the duty to make most decisions on behalf of the Association. After proper notice of a meeting is made to a board that numbers five people, participation of as few as three (50%+) constitutes a quorum, and the votes of as few as two (50%+ of quorum) passes a motion.

**7. Assuring a quorum at the annual meeting.** The board will grant no incentives (credits) for attending nor impose disincentives (fines) for failing to attend or send proxies. The following time guidelines should be followed for assuring a quorum at the annual meeting.

About **two months** prior to the meeting date. Notice included in monthly dues statement from accountant, with explanation of importance.

About **one month** prior to the meeting date. Another notice in dues statement.

**Thirty days** prior to the meeting date. Send notice, bios of candidates, proxy forms, ballots, arguments for amendments (if any) and letter from the board.

**Fifteen days** prior to the meeting date. Management company to advise Secretary of number of ballot envelopes received (not to be opened). Management company to call all homeowners whose ballot envelopes have not been received and request that they send in their ballots or advise caller of their intent to attend the meeting.

**Five days** prior to the meeting date. Management company to advise Secretary of number of ballot envelopes received (not to be opened). Management company to call all homeowners

whose ballot envelopes have not been received and request that they deliver their sealed ballots to one of the guard gate personnel or advise caller of their intent to attend the meeting.

**8. Conduct of meetings.** The President may appoint a board member as parliamentarian, who will be consulted on rules of order. Meetings will be conducted according to Robert's Rules of Order, a copy of which should be available at all meetings.

**9. Participation of non-board members.** All members of the Association will be treated with courtesy and respect. The President has the authority at all times to terminate non-board members' involvement in board deliberation when in his/her sole discretion the non-member's participation has extended beyond a three-minute limit and its continuation is detrimental to the President's ability to conduct the meeting.

Usually, it will be the responsibility of the parliamentarian to advise the President when such involvement is "out of order," and usually it will be left to the President's discretion when to terminate such involvement, but any board member may call for a "point of order" at any time, causing the matter to be put to a vote.

Members should frequently be reminded – in person at meetings, via occasional e-mail and in bulletins distributed with dues statements – to contact board members in advance of meetings so that relevant background information can be obtained and considered, hopefully expediting a decision by the board at the same meeting.

**10. Phone and other electronic-enabled meetings.** All policies regarding notice, quorum, conduct and member participation that apply to regular meetings shall apply also to electronic meetings.

Source: Civ. §1363.05(g)

## INSPECTION OF RECORDS

**Records Subject to Inspection.** The following records are subject to inspection and copying (Civ. §1365.2(a)). Except for minutes which are permanently available, associations need only produce records for the current and 2 previous fiscal years. Older records may be disposed of in accordance with a proper disposal policy.

- financial documents required by Civ. 1365 (budget, reserves, lien policies, insurance, financial statement, etc.)
- financial documents required by Civ. 1368 (governing documents, assessments, violation notices, construction defects, etc.)
- interim unaudited financial statements, including (i) balance sheet, (ii) income and expense statement, (iii) budget comparison, and (iv) general ledger
- salaries paid to employees, vendors, or contractors (except as provided by attorney-client privilege) which shall be set forth by job classification or title, not by the employee's name, social security number, or other personal information
- executed contracts that are not privileged (privileged contracts shall not include contracts for maintenance, management, or legal services)
- board approved vendor or contractor proposals or invoices
- state and federal tax returns
- reserve account balances and of payments from reserve accounts
- board, committee and membership meeting agendas and minutes
- **membership lists**
- invoices, receipts, canceled checks, purchase orders approved by the association, credit card statements for credit cards issued in the name of the association, statements for services rendered, and reimbursement requests submitted to the association

**Records Not Subject to Inspection.** The following records are not subject to inspection (see Civ. §1363.05(b) and Civ. §1365.2(d)):

- board executive session agendas, minutes and information
- personnel records (other than payroll records)
- litigation files or records protected by the attorney-client privilege
- pending contracts
- Legal invoices
- records likely to lead to identity theft
- records likely to lead to fraud
- records reasonably likely to compromise the privacy of an individual member (such as owner records, including goods or services provided to members for which the association received monetary consideration other than assessments)
- disciplinary actions, collection activities, or payment plans of other owners
- personal information, including social security number, tax id number, driver's license number, credit card account numbers, bank account number, and bank routing number
- interior architectural plans for individual homes

The association may withhold or redact (blacken, strike through) records or information described above. However, if requested by the owner, the association shall provide a written explanation specifying the legal basis for withholding or redacting requested records. Civ. §1365.2(d)

**Deadlines for Producing Records.** Associations must produce records within the following time frames (Civ. §1365.2(i)(j)):

- minutes of member and board meetings within 30 days of the meeting 1363.05(d)
  - minutes of committees with decision making authority for meetings commencing on or after January 1, 2007, within 15 calendar days following approval
  - records for the current fiscal year, within 10 business days receipt of the request
  - records for the previous 2 fiscal years, within 30 calendar days receipt of the request
  - any record or statement available pursuant to Section 1365 (budget, reserves, lien policies, insurance, financial statement, etc.) or 1368 (governing documents, assessments, violations, construction defects, etc.), within the timeframe specified
  - membership lists within 5 business days (Corp 8330)
15. The Board minutes will be made available for inspection by owners for all years. These may be viewed on the Association website when available
16. Current year's documents will be made available within 10 days of request. Prior years' will be made available within 30 days of request.
17. Should the Association fail to provide these records, the homeowner may enforce these rights in small claims court and the court could fine the Association \$500 for each denial of an inspection request.

Effective April 1, 2006 in compliance with AB1098 signed into law October 2005.

## **FORECLOSURES**

1. The Association will not foreclose on an owner's property for an amount less than \$1800 in delinquent assessments unless the owner is more than 12 months delinquent.
2. Before recording a lien or starting to foreclose on a lien, the Association must offer alternative dispute resolution (ADR) to the owner. If the owner agrees to the ADR, the ADR must be completed before a lien or a "Notice of Default" will be recorded by the Association.
3. An owner will have 90 days after the foreclosure sale to pay the debt and take back title to his/her home.
4. Before conducting a foreclosure sale, the Association must hand-deliver notice of the sale to the owner.
5. The Association will annually distribute the attached "Notice – Assessments and Foreclosure" form to all homeowners.
6. In Small Claims Court matters, the property managers may appear on behalf of the Association.

Enacted 2005.

## **NOTICE OF ASSESSMENT AND FORECLOSURE FORM**

This form is to be distributed (or noticed via email/website) to all members of record annually.

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

### **ASSESSMENTS AND NONJUDICIAL FORECLOSURE**

The failure to pay association assessments (either the regular monthly assessment or special assessments) may result in the loss of an owner's property without court action, often referred to as non-judicial foreclosure. When using non-judicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the lien is not paid. Assessments become delinquent 15 days after they are due, unless the governing documents of the association provide for a longer time. (Sections 1366 and 1367.1 of the Civil Code)

In a non-judicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use non-judicial foreclosure to collect fines or penalties, except for costs to repair common areas damaged by a member or a member's guests, if the governing documents provide for this. (Sections 1366 and 1367.1 of the Civil Code)

The association must comply with the requirements of Section 1367.1 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association. (Section 1367.1 of the Civil Code)

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail. Among these documents, the association must send a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt. (Section 1367.1 of the Civil Code)

If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide an owner certain documents in this regard. (Section 1367.1 of the Civil Code)

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

### **PAYMENTS**

When an owner makes a payment, he or she may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person who received it. The association must inform owners of a mailing address for overnight payments. (Sections 1367.1 and 1367.1 of the Civil Code)

An owner may dispute an assessment debt by giving the board of the association a written explanation, and the board must respond within 15 days if certain conditions are met. An owner may pay assessments that are in dispute in full under protest, and then request alternative dispute resolution. (Sections 1366.3 and 1367.1 of the Civil Code)

An owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. (Section 1367.1 of the Civil Code)

#### **MEETINGS AND PAYMENT PLANS**

An owner of a separate interest that is not a time-share may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exist. (Section 1367.1 of the Civil Code)

The board of directors must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment. These payment plans must conform with the payment plan standards of the association, if they exist. (Section 1367.1 of the Civil Code)

Enacted 2005.

### **REGULAR (MONTHLY) ASSESSMENT INCREASES**

If the regular assessments are to be increased, notice must be mailed to the owners **30-60 days** before the increase takes effect.

The governing documents and California Civil Code specify the maximum allowable amount of any annual increase (CC&Rs – 20% of previous year's assessment amount.).

Source: Civ. §1366(d)

## ANNUAL NOTICES TO HOMEOWNERS

The following notices and their respective timelines are to be distributed to the membership by email/web site or in written form annually.

### OPERATING BUDGET

Unless the governing documents impose more stringent standards, the association shall prepare and distribute to all of its members the following documents:

A. A pro forma operating budget, which shall include all of the following:

- (1) The estimated revenue and expenses on an accrual basis.
- (2) A summary of the associations reserves based upon the most recent review or study conducted pursuant to Section 1365.5 (CA Civil Code), based only on assets held in cash or cash equivalents, which shall be printed in boldface type and include all of the following:

a. The current estimated replacement cost, estimated remaining life, and estimated useful life of each major component.

b. As of the end of the fiscal year for which the study is prepared:

- (A) The current estimate of the amount of cash reserves necessary to repair, replace, restore, or maintain the major components.
- (B) The current amount of accumulated cash reserves actually set aside to repair, replace, restore, or maintain major components.
- (C) If applicable, the amount of funds received from either a compensatory damage award or settlement to an association from any person or entity for injuries to property, real or personal, arising out of any construction or design defects, and the expenditure or disposition of funds, including the amounts expended for the direct and indirect costs of repair of construction or design defects. These amounts shall be reported at the end of the fiscal year for which the study is prepared as separate line items under cash reserves pursuant to clause (ii). In lieu of complying with the requirements set forth in this clause, an association that is obligated to issue a review of their financial statement pursuant to subdivision (b) may include in the review a statement containing all of the information required by this clause.

c. The percentage that the amount determined for purposes of clause (ii) of subparagraph (B) equals the amount determined for purposes of clause (i) of subparagraph (B).

(3) A statement as to both of the following:

A. Whether the board of directors of the association has determined or anticipates that the levy of one or more special assessments will be required to repair, replace, or restore any major component or to provide adequate reserves therefor. If so, the statement shall also set out the estimated amount, commencement date, and duration of the assessment.

B. The mechanism or mechanisms by which the board of directors will fund reserves to repair or replace major components, including assessments, borrowing, use of other assets, deferral of selected replacement or repairs, or alternative mechanisms.

(4) A general statement addressing the procedures used for the calculation and establishment of those reserves to defray the future repair, replacement, or additions to those major components that the association is obligated to maintain. The report shall include, but need not be limited to, reserve calculations made using the formula described in paragraph (4) of subdivision (b) of Section 1365.2.5, and may not assume a rate of return on cash reserves in excess of 2 percent above the rediscount rate published by the Federal Reserve Bank of San Francisco at the time the calculation was made. The summary of the association's reserves disclosed pursuant to paragraph (2) shall not be admissible in evidence to show improper financial management of an association, provided that other relevant and competent evidence of the financial condition of the association is not made inadmissible by this provision. Notwithstanding a contrary provision in the governing documents, a copy of the operating budget shall be annually distributed not less than 30 days nor more than 90 days prior to the beginning of the association's fiscal year.

In lieu of the distribution of the pro forma operating budget required by subdivision (a), the board of directors may elect to distribute a summary of the pro forma operating budget to all of its members with a written notice that the pro forma operating budget is available at the business office of the association or at another suitable location within the boundaries of the development, and that copies will be provided upon request and at the expense of the association. If any member requests that a copy of the pro forma operating budget required by subdivision (a) be mailed to the member, the association shall provide the copy to the member by first-class United States mail at the expense of the association and delivered within five days. The written notice that is distributed to each of the association members shall be in at least 10-point boldface type on the front page of the summary of the budget.

A statement describing the association's policies and practices in enforcing lien rights or other legal remedies for default in payment of its assessments against its members shall be annually delivered to the members not less than 30 days nor more than 90 days immediately preceding the beginning of the association's fiscal year.

The association shall distribute the written notice described in subdivision (b) to each member of the association during the 60-day period immediately preceding the beginning of the association's fiscal year. The notice shall be printed in at least 12-point type. An association distributing the notice to an owner of an interest that is described in Section 11212 of the Business and Professions Code that is not otherwise exempt from this section pursuant to subdivision (a) of Section 11211.7, may delete from the notice described in subdivision (b) the portion regarding meetings and payment plans.

Source: Civ. §1365(a)(c)

## **FINE SCHEDULE**

Since the association has adopted a policy imposing monetary penalty, including any fee, on any association member for a violation of the governing documents or rules of the association, the schedule of the monetary penalties that may be assessed for those violations shall be distributed to the membership annually.

An installment of an assessment is delinquent if not paid within fifteen (15) days of the due date established by the Board. If the installment is for an annual or special assessment is not paid within thirty (30) days after the due date, plus all reasonable costs of collection (including attorney's fees) and late charges bears interest at the maximum rate permitted by law commencing thirty (30) days from the due date until paid.

The Board has also imposed a late charge of \$10 for any late payment.

## **FINE POLICY**

When people stray from the reasonable requirements of the Governing Documents, it often creates problems, polarizes neighbors, and disappoints expectations on the part of residents that the Association will enforce the CC&Rs and Rules and Regulations. Our Bylaws and CC&Rs authorize fining for violations of the Governing Documents and California law requires distribution of a policy in the event the Association might consider the use of fines. Bear Brand Ranch has had a fine policy in place for over a decade.

The Board considers fines and penalties only as alternatives to be exercised after reasonable efforts to work with homeowners to encourage them to voluntarily cure violations have failed.

The Board of Directors has the authority to impose a fine for each violation found to be true after the homeowner has had an opportunity to object in writing (or personal appearance) to the Management Company's Agent or the Board. Any such explanation or mitigation offered by the homeowner shall be considered in imposing the fine. The decision of the Board is final.

The fine quantification is based on the severity of the violation, whether previous notices were sent to the homeowner, and the homeowner's presentation of explanations or mitigating circumstances which led to the violation.

In addition to the amount of the fine imposed, if the Board finds that the Association was required to incur any expense as the result of the conduct of the homeowner, the conduct of a family member, guest, contractor, household employee, pet, or anyone else on the Association ground by the homeowner's

invitation or permission, the homeowner shall be liable for the amount of the expense in addition to any amount imposed as a fine.

In the event the Board is required to take legal action to collect on fines, which have been imposed on a homeowner, the homeowner shall also be liable for all attorney fees and court costs incurred by the Association.

The Board also has the power to initiate legal action against the homeowner to restrain continued and repeated violation of the Governing Documents, to recover the Association's costs caused by the homeowner, the family, tenant, guest, contractors, household employee, pet or anyone else on the Association ground by the homeowner's invitation or permission.

Fines may be imposed on per occurrence. For continuing violations, fines may be imposed on a per day, per week, or per month basis. Fines may be imposed concurrently with other action by the Board to address a violation if it is necessary.

### **Notification Procedures**

#### **First Violation:**

Upon the receipt by the Management Company Agent of a complaint, the homeowner will be sent a notice by the Management Company Agent, first-class or registered mail, or personal delivery, advising the homeowner of an alleged violation and seeking the homeowner's cooperation in correcting the situation. In all instances, unless legal action is required, the name(s) of the complainant will not be revealed to the presumed violator.

This notice will indicate the nature of the violation and will alert the homeowner to the potential of a fine should the violation not be corrected or should the violation continue. The exception to this notice without imposition of a fine will be in the case of a homeowner who ignores a "cease and desist order" or any other violation in which the Board perceives the homeowner willfully has refused to comply on previous occasions.

The notification letter will provide the homeowner with the opportunity to refute the allegation either in writing or in person within 15 days or establish a date certain agreeable to the Board that the violation will be corrected. The homeowner shall also have the right to appeal any notice to the Board at its next regularly scheduled meeting.

The Management Company Agent will maintain a file of all violations by member.

#### **Continuation of the violation or second offense for same violation**

Should a second complaint be lodged against a homeowner or the violation cited in the first offense letter be continued, another letter will be sent to the offending homeowner by the Management Company Agent. This second letter for the same violation or continuing violation will contain a notice that a fine will be imposed by the Management Company Agent as specified in the "Schedule of Fines" and the homeowner given 15 days to offer an explanation or refute the allegation, either to the Management Company Agent or to the Board. The Management Company Agent or the Board may rescind the fine if the finding is that the violation did not in fact occur or other mitigating circumstances were present. The Decision of the Board is final.

**Schedule of fines**

First offense, regardless of violation (with the exception  
of failure to comply with cease and desist order).....\$ 0.00  
Failure to comply with cease and desist order..... \$1,000.00/day

**Second offense (occurring after receipt of notification letter)**

dog off leash in common area..... 200.00  
overnight parking of automobiles/vehicles on the street..... 100.00  
excessive speed (more than 25mph/15 mph) ..... 100.00  
parking of vehicle (other than those allowed by CC&Rs) in driveway..... 100.00  
non compliance (lack of home maintenance, mossy roofs,  
dead landscape etc..... 100.00  
other.....TBD by Board

**Third or continuing offense (occurring after receipt of second notification letter/fine)**

**Doubling** of fine for second offense for each continued or repeated violation until violation is corrected.

This policy to be distributed annually to the membership as required by Civil Code.

Source: Civ. §1363(g), Corp. §7341(c)

**Sample letter – first allegation of offense:**

John and Jane Doe  
10277 Old Ranch Road  
Laguna Niguel, CA 92677

Re: 10277 Old Ranch Road

Dear John and Jane Doe:

THIS IS TO NOTIFY YOU OF AN ALLEGED VIOLTION OF THE ASSOCIATION’S RULES AND REGULATIONS AND/OR CC&RS WHICH OCCURRED ON \_\_\_\_\_.

VIOLATION IS AS FOLLOWS

- :
- \_\_\_\_ dog off leash in common area
  - \_\_\_\_ overnight parking of automobiles on the street
  - \_\_\_\_ excessive speed (more than 15 mph)
  - \_\_\_\_ failure to clean/remove growth from roof
  - \_\_\_\_ parking of vehicle/trailer other than those allowed by CC&RS in driveway
  - \_\_\_\_ other \_\_\_\_\_
- 

The above violation, if true, requires your attention and must be corrected immediately upon receipt of this notice. This constitutes notice to you of the violation. Should the violation recur, the majority opinion of the Board of Directors is that a fine of \$\_\_\_\_\_ be placed on your account, which is in conformance with the schedule of fines approved by the Board of Directors of Covenants, Conditions and Restrictions, which pertain to the Bear Brand Homeowners Association.

If you deny the violation, you must correspond in writing to myself or the Board of Directors and a hearing will be scheduled. We regret the need for this letter. However, keeping a uniform appearance is important to protecting the value of the entire property.

Thank you in advance for your cooperation in this matter.

Regards,  
XXX Management Company  
Acting on behalf of the Board of Directors

Agent

cc: BOD

**Sample letter – Serious allegation of non-compliance**

John and Jane Doe  
10277 Old Ranch Road  
Laguna Niguel, CA 92677

Re: 10277 Old Ranch Road

Dear John and Jane Doe:

THIS IS TO NOTIFY YOU OF A VIOLTION OF THE ASSOCIATION’S RULES AND REGULATIONS AND/OR CC&RS WHICH OCCURRED ON \_\_\_\_\_.

VIOLATION IS AS FOLLOWS:

- \_\_\_\_ Construction without obtaining prior approval of Architectural Committee
- \_\_\_\_ Painting without obtaining prior approval of Architectural Committee

:  
The above violation requires your attention and must be stopped immediately upon receipt of this notice and you must obtain the approval of the Architectural Committee before resuming. Another inspection will be conducted to verify that work has ceased. If the work is continuing, a **“cease and desist order”** will be sent, a fine of **\$1,000/day** will be imposed until the work is stopped, and a Hearing Notice will be issued until the work is stopped.

The majority opinion of the Board of Directors is that the fine be placed on your account, which is in conformance with the schedule of fines approved by the Board of Directors of Covenants, Conditions and Restrictions, which pertain to the Bear Brand Homeowners Association.

If you believe you have obtained the prior approval of the Architectural Committee, you must immediately correspond in writing to the Board of Directors. We regret the need for this letter. However, keeping a uniform appearance is important to protecting the value of the entire property.

Thank you in advance for your cooperation in this matter.

Regards,  
XXX Management Company  
Acting on behalf of the Board of Directors

Agent

cc: BOD

.Source: Civ. §1363(g), Corp. §7341(c)

## ALTERNATIVE DISPUTE RESOLUTION

Bear Brand Ranch Homeowner's Association has established a fair, reasonable and expeditious procedure for resolving disputes between the association and its members or between members to enforce the Davis-Stirling Act, the Nonprofit Mutual Benefit Corporation Law, and the association's governing documents (i.e. bylaws and rules, in addition to the CC&Rs). Explicitly excluded from this policy by California Civil Code section 1354(b) and California Civil Code Section 1378 are Small Claims actions and assessment disputes. This procedure has two methods for resolution of disputes:

### **A. Procedural Requirement – disputes other than architectural procedures, Small Claims actions or assessments.**

In the event there is a dispute between a member and the Association or between members, following processes will automatically apply:

1. Either the association or the member may request that the other side meet and confer in an effort to resolve the dispute. Either party may initiate the process by a written request and may be served by personal delivery, first-class mail, express mail, facsimile transmission or other means reasonably calculated to provide the party being served with actual notice of the request. The association may not refuse such a request (i.e. if the member initiates the procedure, the association must participate). The member may not be charged a fee to participate in the process. If the association initiates the procedure, the member may elect not to participate.
2. The association will designate a board member or members to attend a meet and confer session.
3. The meet and confer session will occur promptly at a mutually convenient time and place. At the meeting, the parties must explain their positions to each other and must confer "in good faith" in an effort to resolve the dispute. The maximum time allowable for the association to act upon a request is set at 60 days but the association will make every effort to expedite the process.
4. If the parties agree on a resolution of the dispute, the agreement must be put in writing and signed by the parties. The Association designated Board member(s) may be authorized by the board to agree to a resolution on their own or may be required to obtain the approval of the majority of the board. The agreement is binding and can be enforced by the courts if:
  - a) it is not in conflict with the law or the governing documents, and
  - b) the association's representative(s) had the authority to enter into the settlement or the settlement is ratified by the board.
5. If the dispute was not resolved by an agreement reached at the meet and confer session, the member has a right to appeal to the board of directors. Such appeal will be set by the association at a time mutually agreed upon but no later than 60 days for the request for an appeal.

### **Procedural Requirement – architectural procedures**

1. Any request for physical change(s) to the owner's separate interest or the common area (i.e. any architectural modification to the common area or weight-bearing walls of any unit) must be submitted in writing as above and submitted to the architectural committee.

2. Decisions by the association on architectural applications will be made in good faith and will not be unreasonable, arbitrary or capricious. All such decisions will be consistent with the governing law, including the Fair Employment and Housing Act as well as in compliance with California Civil Code section 1378.
3. The maximum time allowable for the association to act upon a request is set at 60 days but the association will make every effort to expedite the process.
4. The architectural committee will document its decision on a proposed change in writing. If disapproved, the written decision denying the proposed change will include both an explanation of why the proposed change is disapproved and a description of the procedure for reconsideration of the decision by the board of directors. Such reconsideration will be heard at an open meeting of the board, unless the decision was initially made by the board of directors of sitting as the architectural committee at an open meeting.
5. The association will provide the members with notice of the requirements for approval of physical changes to the property on an annual basis. Such notice will describe the types of changes that require association approval and will include a copy of the procedure used to review and approve or disapprove a proposed change.

#### **B. Endeavor Requirement**

California Civil Code section 1354(b) requires that before the Association or a member files a superior court lawsuit to enforce the Davis-Stirling Act, the Nonprofit Mutual Benefit Corporation Law, the association's governing documents (i.e. bylaws and rules, in addition to the CC&Rs) the parties must endeavor to submit their dispute to a form of alternative dispute resolution (ADR) before a neutral third party—i.e. mediation, arbitration or conciliation. The organization selected to conduct the ADR will be mutually agreed upon from a listing of mediators familiar with association law. In the event that any of the organizations are unable or unwilling to conduct the ADR due to conflict of interest, unavailability of an acceptable arbiter, or provide an arbiter within an expeditious timeframe, the board at its discretion may name another organization to arbitrate the dispute but such selection may not unreasonably delay the resolution.

Disputes which are not subject to this requirement are those which involve monetary damages in excess of \$5,000, small claims cases, and assessment disputes.

The costs of the ADR process are to be borne by the parties. If a party unreasonably refuses to participate in the process and the case proceeds to court, the court may order the refusing party to pay the other side's attorneys fees.

Source: Civ. §1354(i) §1369.590 & §1363.850 (after 1/1/05)

## INTERNAL DISPUTE RESOLUTION (IDR)

1. The IDR Process applies to the Association as well as an Owner as a prerequisite to the filing of any litigation related to a dispute involving their respective rights, duties or liabilities under the governing documents, the Davis-Stirling Common Interest Development Act (“D-S Act”) and/or the nonprofit mutual benefit corporation law (collectively “CID Dispute”). It does not relate to any collection of assessments unless the Association determines it needs to file litigation to collect same.

2. Either party (Association or Owner) to a CID Dispute may invoke the following procedure:

A. The party may request the other party to meet and confer, in an effort to resolve the CID Dispute. The request shall be in writing.

B. An Owner may refuse an Association request to meet and confer. The Association may not refuse an Owner’s request to meet and confer.

C. The Board hereby designates the President or in his/her absence, the Vice-President (“Board Designee”), as well as the CID Manager to meet and confer with the Owner. The Board Designee shall also have the right to request the Chairperson of any applicable Committee involved in the CID Dispute to assist the Board and attend the meet and confer session with the Owner. If the Association is pursuing litigation related to a delinquent assessment, the Board designates the Treasurer in lieu of the President as the Board Designee.

3. Although not precluded, attorney participation in the IDR Process is discouraged in order to maintain direct discussions between the principals of the CID Dispute and to maintain the goal of resolution through an expeditious process. To the extent Owner requires that his/her/its attorney attend the IDR Process, the Owner shall be required to give five (5) business days’ notice to the Association so that the Association can ascertain if it desires its corporate counsel to also attend.

4. The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other and confer in good faith in an effort to resolve the CID dispute.

5. A resolution of the CID Dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the Board Designee on behalf of the Association.

6. The Agreement reached by the Owner and the Board Designee binds the parties and is judicially enforceable if both the following conditions are satisfied.

A. The Agreement is not in conflict with law or the governing documents of the Association; and

B. The Agreement is ratified by the Board of Directors within thirty (30) days of the date that the Agreement is executed by the Owner and the Board Designee.

7. The Owner participating in the IDR Process shall not be charged a fee to participate in the IDR Process.

Source: Civil Code §1363.840. Adopted September 2005.

## **SECURITY ISSUES**

Annually the Board will include a statement that members are responsible for their own safety and security. Owners should take normal precautions such as locking doors, avoiding dangerous situations, installing alarms, etc.

## INSURANCE COVERAGE

(1) A summary of the association's property, general liability, earthquake, flood, and fidelity insurance policies, which shall be distributed not less than 30 days nor more than 90 days preceding the beginning of the association's fiscal year. The summary will include all of the following information about each policy:

- (D) The name of the insurer.
  - (E) The type of insurance.
  - (F) The policy limits of the insurance.
  - (G) The amount of deductibles, if any.
- (3) The association shall, as soon as reasonably practicable, notify its members by first-class mail if any of the policies described in paragraph (1) have lapsed, been canceled, and are not immediately renewed, restored, or replaced, or if there is a significant change, such as a reduction in coverage or limits or an increase in the deductible, as to any of those policies. If the association receives any notice of non-renewal of a policy described in paragraph (1), the association shall immediately notify its members if replacement coverage will not be in effect by the date the existing coverage will lapse.
- (4) To the extent that any of the information required to be disclosed pursuant to paragraph (1) is specified in the insurance policy declaration page, the association may meet its obligation to disclose that information by making copies of that page and distributing it to all of its members.
- (5) The summary distributed pursuant to paragraph (1) shall contain, in at least 10-point boldface type, the following statement: "This summary of the association's policies of insurance provides only certain information, as required by subdivision (e) of Section 1365 of the Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any association member may, upon request and provision of reasonable notice, review the association's insurance policies and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the association maintains the policies of insurance specified in this summary, the association's policies of insurance may not cover your property, including personal property or, real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance broker or agent for appropriate additional coverage."

Source: Civ. §1365(e)

### **COLLECTION POLICY**

The association policy regarding the placing of liens or other means to collect assessments is delineated in the CC&Rs.

The Board will include in 12 point type an annual notice as required in Civil Code section 1365.1 (*Notice Assessments and Foreclosure Form*). This form is included under “Annual Notices).

Source: Civ. §1365(d) & 1365.1

## **HAZARDOUS MATERIALS DISCLOSURE**

Annually, the Board will include in its notices to members the existence of all known hazardous materials such as asbestos.

Source: H&S §25915.2

## **ESCROW DISCLOSURE**

Within 10 days of written request by seller, the association must provide, for a reasonable charge, copies of the governing documents, the most recent annual financial statement, current and unpaid assessments & fees, notices of unresolved violations for that property, and any approved assessments which have not yet been implemented.

Source: Civ. §1368(b) §1134

## UNLAWFUL RESTRICTIONS

The cover page for the association's CC&Rs is to contain specific language prohibiting discriminatory restrictions and put in bold face type .

Source: Gov. §12956.1

### **RESERVE TRANSFERS FOR LITIGATION**

If the Board should transfer funds from the reserve account to pay for litigation, the members must be notified in the next available mailing of any transfers from reserves to pay for litigation.

Source: Civ. §1365.5(d)

## ANNUAL FINANCIAL STATEMENT

A review of the financial statement of the association shall be prepared in accordance with generally accepted accounting principles by a licensee of the California Board of Accountancy for any fiscal year in which the gross income to the association exceeds seventy-five thousand dollars (\$75,000). A copy of the review of the financial statement shall be distributed within 120 days after the close of each fiscal year.

Source: Civ. §1365(b)

## **CONSTRUCTION DEFECTS**

The Board will disclose any agreements with the developer, any defects needing correction or replacement, an estimate of when defects will be corrected or replaced, and which defects will not be corrected or replaced.

Defects include damage resulting from defects.

Source: Civ. §1375.1

## **WORKPLACE HAZARDS**

The management company will routinely and repeatedly notify employees of workplace hazards (ladders, working on roofs, cleaning sump drains, etc.) prior to assigning tasks.

Source: §6401.7

## **WORKERS COMPENSATION**

Under California law, an individual who hires a contractor to perform services for which a license is required, may become the "employer" of that contractor if the contractor did not have workers' compensation insurance at the time an injury occurred. This risk also extends to other employers of the uninsured contractor, can result in financial penalties from the WC carrier, and can expose the association to liability for any injuries claimed by the worker.

The management company will require every contractor to:

1. Submit a valid contractor's license prior to performing work for the association; and
2. Submit proof of the contractor's workers' compensation insurance.

The manager company must refer to a list maintained by them to verify that the contractor has current workers' compensation insurance.

Source: Labor §6401.7

## **ADOPTION, AMENDMENT, OR REPEAL OF AN OPERATING RULE**

The board of directors shall provide written notice of a proposed rule change to the members at least 30 days before making the rule change. The notice shall include the text of the proposed rule change and a description of the purpose and effect of the proposed rule change. Notice is not required under this subdivision if the board of directors determines that an immediate rule change is necessary to address an imminent threat to public health or safety or imminent risk of substantial economic loss to the association.

A decision on a proposed rule change shall be made at a meeting of the board of directors, after consideration of any comments made by association members.

As soon as possible after making a rule change, but not more than 15 days after making the rule change, the board of directors shall deliver notice of the rule change to every association member. If the rule change was an emergency rule change made under subdivision (d), the notice shall include the text of the rule change, a description of the purpose and effect of the rule change, and the date that the rule change expires.

If the board of directors determines that an immediate rule change is required to address an imminent threat to public health or safety, or an imminent risk of substantial economic loss to the association, it may make an emergency rule change; and no notice is required, as specified in subdivision (a). An emergency rule change is effective for 120 days, unless the rule change provides for a shorter effective period. A rule change made under this subdivision may not be readopted under this subdivision.

Source: Civ. 1357.130(a)

## GRANTING EXCLUSIVE USE OF COMMON PROPERTY

After an association acquires fee title to or any easement right over a common area, unless the association's governing documents specify a different percentage, the affirmative vote of members owning at least sixty seven percent of the separate interests in the common interest development shall be required before the board of directors may grant exclusive use of any portion of that common area to any member, except for any of the following:

1. A reconveyance of all or any portion of that common area to the subdivider to enable the continuation of development that is in substantial conformance with a detailed plan of phased development submitted to the Commissioner of the Department of Real Estate with the application for a public report;
2. Any grant of exclusive use that is in substantial conformance with a detailed plan of phased development submitted to the Commissioner of the Department of Real Estate with the application for a public report or in accordance with the governing documents approved by the Commissioner of the Department of Real Estate.
3. Any grant of exclusive use that is for any of the following reasons:
  - (A) To eliminate or correct engineering errors in documents recorded with the county recorder or on file with a public agency or utility company.
  - (B) To eliminate or correct encroachments due to errors in construction of any improvements.
  - (C) To permit changes in the plan of development submitted to the Commissioner of the Department of Real Estate in circumstances where the changes are the result of topography, obstruction, hardship, aesthetic considerations, or environmental conditions.
  - (D) To fulfill the requirement of a public agency.
  - (E) To transfer the burden of management and maintenance of any common area that is generally inaccessible and is not of general use to the membership at large of the association.
  - (F) Any grant in connection with an expressly zoned industrial or commercial development, or any grant within a subdivision of the type defined in Section 1373.

Any measure placed before the members requesting that the board of directors grant exclusive use of any portion of the common area shall specify whether the association will receive any monetary consideration for the grant and whether the association or the transferee will be responsible for providing any insurance coverage for exclusive use of the common area.

California Civil Code: Section 1363.07 (Effective Jan. 1, 2006)

## **TREE TRIMMING/REMOVAL**

### **1. TREE TRIMMING – COMMON OR ASSOCIATION EASEMENT AREAS**

- a. The Association, in cooperation with the landscaping maintenance contractor will place all trees on a regular tree trimming schedule to be trimmed according to the attached schedule (which shall also be posted on the Association web site). All trees will be trimmed in accordance with arborist approved standards.
- b. The company responsible for tree trimming will be responsible for:
  - i. pruning dead, broken or diseased limbs from the trees as required year-round to encourage healthy and proportional growth.
  - ii. removing any trees that are diseased or overly damaged.
  - iii. removing lateral branches adjacent to or growing over walks so that a minimum vertical clearance of seven (7) feet is established.
  - iv. trimming all trees so they do not impede pedestrian traffic along the walkways.
- c. If a homeowner would like to have a tree trimmed before its regularly scheduled maintenance, he/she must contact the property manager and request in writing that the tree be trimmed. The Landscape Committee will approve/deny the request within 60 days of receipt of the written request. The owner must pay at their own expense to have the tree trimmed by a contractor selected from a management company maintained list of approved and worker's compensation carrying contractors. Trees may not be trimmed more than yearly and all trimming must be in accordance with arborist approved standards for the specific type of tree.
- d. Any homeowner responsible for trimming trees without approval may be required to replace the tree if the trimming was not in accordance with arborist approved standards for the specific type of tree and assessed for correction or replacement as provided in Article 14.4 (b).
- e. Trees approved for trimming shall be trimmed to not exceed the height of the highest elevation of the nearest adjoining roof segment, unless such height does not unreasonably interfere with views from any other lot (with the exception of palm trees identified in Article 6.12 of the CC&Rs). If such trimming will interfere with the health or aesthetic beauty of the tree than the Landscaping Committee reserves the right to require that the tree be removed and replaced with an approved tree. No planting shall be permitted to remain on any slope which might damage or interfere with established slope ratios, create erosion or sliding problems, or interfere with established drainage functions or facilities.

### **2. TREE REMOVAL – COMMON OR ASSOCIATION EASEMENT AREAS**

- a. If a homeowner would like to have a tree removed, they must contact the property manager and request in writing that a tree be removed and state the reason(s). The Landscape Committee will approve/deny the request within 60 days of receipt of the written request. They will direct the management company to contact affected neighbors (as determined by the Landscape Committee), if applicable. If any affected neighbors

object to the tree removal, written objections must be made to the property manager within 30 days of receipt of the notification. The Landscape Committee will then review the objections and make appropriate recommendations to the Board, which may include replacement of an approved tree at the owner's expense. The Board will approve or deny the requests.

- b. Any homeowner responsible for removing trees without approval may be assessed as provided in Article 14.4 (b) for replacement with a tree of similar type or another tree from the list of approved trees in Article 6.12 of the CC&Rs.

### **3. TREE TRIMMING/REMOVAL – PRIVATE PROPERTY**

- a. If the tree(s) obstructing a homeowner's view is (are) located on the homeowner's private property (not easement property), the homeowner need not obtain the permission of the Landscape Committee to trim or remove the tree(s). In the spirit of neighborliness, if a tree(s) on a homeowner's property is obstructing a neighbor's view, the homeowner should attempt to trim the tree(s) in such a manner as to preserve the neighbor's view but he/she is not obligated to do so.
- b. Should the homeowner with the offending tree(s) not be willing to trim or remove the tree(s), the homeowner whose view is being obstructed may request an IDR by the Board or its designated committee in an attempt to resolve the conflict.
- c. Article 6, Section 6.1 of the BBR Declaration of CC&Rs is reprinted herein:

The Architectural Committee shall have the right, but not the obligation, to require any Member to remove, trim, top or prune any shrub, tree, bush, plant or hedge which such Committee reasonably believes materially obstructs the view of any Lot; provided, however, the view from any Lot may be partially obstructed by trees if such obstruction is approved by the Architectural-Design Committee or Declarant, in their sole and absolute discretion. (In Article 1, Section 1.8, "Declarant" is defined as Bear Brand Ranch CC&Rs).

### **4. RIGHT OF APPEAL**

In the event of an adverse decision by the Landscape Committee, the homeowner has the right to appeal such decision to the Board directly or request that the Board establish an Internal Dispute Resolution process.

Adopted by the BOD: April 2006

## **PLANTING OF NEW TREES**

### **PLANTING OF NEW TREES ON PRIVATELY OWNED PROPERTY**

Homeowners wishing to plant trees on their private property must select trees from among the listing of permitted trees contained in Article 14.4 of the CC&Rs. Any variation from this listing must be made in writing to the Landscape Committee and the homeowner must obtain the approval of this committee.

### **PLANTING OF NEW TREES ON ASSOCIATION EASEMENT AREA**

Homeowners wishing to plant new trees on their owned but Association easement granted property must submit their request in writing to the Landscape Committee. If the Landscape Committee approves the planting of new trees on Association easement-granted property, any watering (other than existing watering), trimming ((including limiting the height of any planted tree to that of the height of an adjacent structure so as to not obscure a view), or other maintenance of these permitted trees is the responsibility of the homeowner and not the responsibility of the Association. The owner-planted trees are to be identified by Landscape Contractor placement of a permanent yellow ribbon surrounding each tree and an indication on the master plan so that the policy remains as part of the lot for the existing and any future owners.

### **RIGHT OF APPEAL**

In the event of an adverse decision by the Landscape Committee, the homeowner has the right to appeal such decision to the Board directly or request that the Board establish an Internal Dispute Resolution process.

Adopted by the BOD: April 2006

## PET POLICY

1. No animals, fowl, reptiles, insects or poultry shall be kept on the Property, except that domestic dogs, cats, birds, fish may be kept as household pets pursuant to the Custom Lot Standards and rules adopted by the Board. Horses may only be kept on Lots: one (1) acre in size or larger and in accordance with the Association Rules; provided, however, a maximum of three (3) adult horses may be kept on a Lot between one (1) acre and two (2) acres in size, and a maximum of five (5) adult horses may be kept on Lots over two (2) acres in size. The offspring of a horse shall be deemed an adult when twelve (12) months old. In any event, all horses shall be maintained in a barn located on the Lot with a stall for each horse.
2. Pets must be kept confined to fenced in property and only allowed off their property while on a leash and held by a person capable of controlling the animal. NO Animal will be permitted to wander freely through streets or in Common and/or Easement Area of the Association. **NO EXCEPTIONS.**
3. It is the responsibility of pet owners to clean up after their pet while in Common and/or Easement Area of the Association. Any damage or injury caused by a household pet(s) shall be the sole responsibility of the respective homeowner.
4. All dogs must have current tags issued by the Orange County Animal Shelter. These tags must be worn at all times when the animal is in the Common and/or Easement Area of the Association.
5. It is the responsibility of the Homeowner to control excessive barking or other noise nuisances caused by an animal brought or kept in the Community by an owner, a family member, tenant, or guest. Be a good neighbor.
6. If immediate attention is needed because of an aggressive animal or a noise nuisance, a homeowner should call Animal Control at (949) 470-3045. A form for reporting barking of dogs “which by sound or cry disturbs the peace and comfort of the inhabitants of a neighborhood, or interferes with any person in the reasonable and comfortable enjoyment of life or property” is attached. The forms can be obtained (as well as instructions for filing of claims) by going to [www.ocpetinfo.com/barking\\_dog.htm](http://www.ocpetinfo.com/barking_dog.htm), General Information, FAQs. All other complaints against pet owners must be made in writing to the Management Company. The Management Company will inform the Homeowner of a complaint filed against their pet. The pet owner must show how they intend to correct the alleged problem in writing to the Management Company within 7 days.

The extent of the liability of the Homeowner’s Association is to notify the Homeowners of the Community of a potentially dangerous animal once the Management Company has received a written complaint. Animal Control has the right to deem an animal dangerous and remove it from the Community.

If the issue is still unresolved, the complaining homeowner may seek resolution by asking the Board to establish an Internal Dispute Resolution Committee (IDR) where the two parties will be asked to meet with one or more members of the Board in an attempt to “meet and confer” to resolve the issue and preclude the need for court action.

Homeowners are responsible for keeping their animals from trespassing on other private property. If a dog is off a leash and trespassing on a Homeowner's property, the Homeowner should contact the pet owner and/or contact Animal Control if they feel the animal could be dangerous.

**OVERALL COMPLETION DATES FOR CONSTRUCTION**

**Architectural Design Committee**

Each submission of a plan and specifications as required under Article 6.1 (Architectural Approval) for construction or remodeling of any fence, wall, building, sign or other structure or exterior addition to or change or alteration thereof, shall contain a contemplated completion date as a requirement for approval by the Architectural-Design Committee. The contemplated completion date in most instances should not exceed two years for new construction or one year for remodeling, but the date is to be mutually agreed upon by the owner and the Architectural-Design Committee as part of the initial approval process.

As part of the approval process, the Architectural-Design Committee will provide the owner with a document identifying the agreed upon contemplated completion date and the owner’s signature acknowledging the potential for the levying of a fine if the construction has not been completed by the agreed upon date unless a determination is made in the sole discretion of the Architectural-Design Committee that the failure to complete the construction was due to factors beyond the control of the owner. The guidelines for construction times are as follows:

- Minor remodeling: 1-3 months
- Moderate remodeling: 3-4 months
- Major remodeling: 4-6 months
- New Construction: 18 months

Within 30 days prior to the contemplated completion date, the Architectural-Design Committee will request a meeting with the owner to ascertain the potential of non-completion by the contemplated completion date and determine if there will be a delay. If a delay is anticipated, the Architectural-Design Committee will determine whether an extension to the contemplated completion date is warranted and if so then a new contemplated completion date will be established.

If the Architectural-Design Committee determines in its sole discretion that there are no acceptable reasons for an extension, the Architectural-Design Committee shall be empowered to assess a fine of \$150 per day beginning on the contemplated completion day plus one and ending when the Architectural Design Committee considers the project to be completed.

**RIGHT OF APPEAL**

In the event of an adverse decision by the Landscape Committee, the homeowner has the right to appeal such decision to the Board directly or request that the Board establish an Internal Dispute Resolution process.

Submitted to the membership for comment: \_\_\_\_\_

Adopted by the Architectural Design Committee: \_\_\_\_\_

Approved by the Board of Directors: \_\_\_\_\_

**DELEGATION OF AUTHORITY TO ARCHITECTURAL  
DESIGN COMMITTEE TO LEVY FINES**

As provided in Article 8.1 (p), the Board delegates the power to the Architectural-Design Committee to levy fines for non-compliance with the Policy on Overall Completion Date for Construction.

The Board may but is not obligated to enforce this policy as provided by under Article 14.4 (liens) or court action.

Submitted to the membership for comment: \_\_\_\_\_

Adopted by the Board: \_\_\_\_\_

### **LIMITING OUTSIDE WORK HOURS**

In order to allow members to enjoy living in their home and enjoy the peaceful serenity of the environment, the time that outside work in the Bear Brand complex will be permitted is listed below.

Weekdays - 7:30 am - 5:00 pm  
Saturdays - 7:30 am - 1:00 pm  
Sunday and Holidays - no work allowed

Any deviation from these posted hours must have the prior approval of the Management company and based on unusual circumstances.

Adopted by the Board: October 16, 2006

## PAINT COLOR APPROVAL

### **BBR simplified process for approval of pain color.**

Bear Brand Ranch Homeowners Association maintains a color palette book in the offices of the Management Company. If a homeowner wishes to repaint a color scheme from the BBR color palette book, no approval by the Architectural Committee is required.

For guidance, generally acceptable colors include:

- o Beiges, buffs, taupe, and other light neutrals
- o Light shades of grays, blues, and greens

To comply with this simplified process, indicate to the Management Company Agent which of the color choices from the BBR color palette book is selected so that a record of the selection can be made and compared to the actual painted surface.

### **BBR review process for expanded color palette.**

Should a homeowner desire to deviate in any way (including a simple color tone change) from the BBR color palette book, an approval by the Architectural Committee is required. Before painting begins, and as part of the application for approval, the homeowner must provide the Architectural Committee with a three foot by five foot swatch of all proposed house body trim and accent colors to be used on the dwelling as well as photographs depicting the color of neighboring residences. The Architectural Committee will use the swatch to better visualize the ultimate stucco color of the residence and either grant approval or suggest alternate shades or colors.

Should the homeowner disagree with the decision of the Architectural Committee, they may appeal directly to the Board. However, under no circumstances shall a homeowner commence painting without prior approval. To do so is to trigger a "cease and desist" order from the Board and be fined \$1,000/day until issue is resolved.

Approved for distribution to membership for comment: October 16, 2006

Adopted by the Board: \_\_\_\_\_

## RESERVE FUNDS

The signatures of at least two persons, who shall be members of the association's board of directors, shall be required for the withdrawal of moneys from the association's reserve accounts.

The board of directors shall not expend funds designated as reserve funds for any purpose other than the repair, restoration, replacement, or maintenance of, or litigation involving the repair, restoration, replacement, or maintenance of, major components which the association is obligated to repair, restore, replace, or maintain and for which the reserve fund was established.

However, the board may authorize the temporary transfer of money from a reserve fund to the association's general operating fund to meet short-term cash-flow requirements or other expenses, provided the board has made a written finding, recorded in the board's minutes, explaining the reasons that the transfer is needed, and describing when and how the money will be repaid to the reserve fund.

The transferred funds shall be restored to the reserve fund within one year of the date of the initial transfer, except that the board may, upon making a finding supported by documentation that a temporary delay would be in the best interests of the common interest development, temporarily delay the restoration. The board shall exercise prudent fiscal management in maintaining the integrity of the reserve account, and shall, if necessary, levy a special assessment to recover the full amount of the expended funds within the time limits required by this section. This special assessment is subject to the limitation imposed by Section 1366. The board may, at its discretion, extend the date the payment on the special assessment is due. Any extension shall not prevent the board from pursuing any legal remedy to enforce the collection of an unpaid special assessment.

When the decision is made to use reserve funds or to temporarily transfer money from the reserve fund to pay for litigation, the association shall notify the members of the association of that decision in the next available mailing to all members pursuant to Section 5016 of the Corporations Code, and of the availability of an accounting of those expenses. Unless the governing documents impose more stringent standards, the association shall make an accounting of expenses related to the litigation on at least a quarterly basis. The accounting shall be made available for inspection by members of the association at the association's office.

California Civil Code: 1365

Adopted by the Board for submission to the membership: October 16, 2006