

CYPRESS HOME OWNERS ASSOCIATION

Professionally managed by La Perla Property Management
25201 Paseo De Alicia, Suite 210, Laguna Hills, CA 92653
Office: 949.668.0800 * Fax: 949.565.0625
Email: Tina@laperlapm.org * Website: www.laperlapmlive.org
Cypress Home Owner's Website: <http://www.cypresshoa.org>

November 15, 2022

Re: 2023 Fiscal Year Annual Budget Report and Annual Policy Statements

Dear Cypress Home Owners:

In accordance with California Civil Code 5300(b), enclosed is a copy of the approved Annual Budget Report, Annual Policy Statement and Rules and Regulations for the Association's upcoming 2023 fiscal year.

The Association's monthly assessment will increase to \$350.00 (per unit) for the fiscal year commencing January 1, 2023. This year's significant increase in assessment is due, in large part to the increase in costs related to the Association's insurance premium increased costs to offset the CA wildfires and Earthquake Insurance coverage.

Other factors include a rise in cost-of-living expenses, wages, vendors' services, and contracts, which all Association vendors have confirmed an increase. Refuse continues to be a challenge due to residents not disposing of items properly or placing construction materials in the trash. For these reasons, the Association must contract with an additional vendor just to address the overflow of trash/bulky items left throughout the community.

The Board has worked hard over the last few years to minimize expenditures where possible, so that the maintenance and financial obligations of the Association could be met. Fortunately, the completed landscape renovation project and clean out installations, were reserve expenditures and had been budgeted for accordingly. Therefore, these projects are not associated with this increase.

The Board of Directors is pleased to present the 2023 Budget that represents the Association's best forecast of the upcoming fiscal year's operating expenses. Please note that our Association Balance Sheet is strong with a fair Reserve balance of **\$62.2%** of the recommended funding levels.

Should you have any questions regarding the budget, or any other information contained herein, please do not hesitate to contact Tina Bashikian, Cypress Home Owners Association Management Representative with La Perla Property Management or attend a Board of Directors meeting.

Sincerely,

Board of Directors

Cypress Home Owners Association

DATE: 11/15/2022
TO: THE MEMBERSHIP – CYPRESS HOME OWNERS ASSOCIATION
FROM: THE BOARD OF DIRECTORS
RE: ANNUAL POLICY STATEMENT & BUDGET FOR FISCAL YEAR
BEGINNING JANUARY 1, 2023

In compliance with California Civil Code, attached is the Cypress Home Owners Association budget for the fiscal year beginning **January 1, 2023**. This budget reflects the continuing efforts of the Board of Directors to maintain and enhance the Association's common area and amenities while at the same time keeping expenditures in line.

The Association's monthly assessment will increase to \$350.00 (per unit) for the fiscal year commencing January 1, 2023. Assessments are due on the first (1st) of each month and are subject to a late charge fifteen (15) days past due. Homeowners will continue to receive a courtesy billing statement prior to the first (1st) of each month as a reminder of the assessment coming due.

Please find the following items as required by state law and your Association's governing documents:

- 2023 Fiscal Year Budget
- FHA Certification Mandatory Disclosure Statement
- VA Certification Mandatory Disclosure Statement
- Civil Code § 5300(b)(12) Disclosure
- Summary Pages of the Reserve Study
- Reserve Assessment and Funding Disclosure Summary
- 5-year Reserve Plan
- Association's current Assessment and Billing Collection Policy
- Notice of Assessments and Foreclosure Policy
- Alternative Dispute Resolution
- Internal Dispute Resolution Procedure
- Rules and Regulations / Architectural Submittal and Appeal Process
- Discipline Policy / Fine Schedule
- Summary of the Association's Insurance Coverage

To assist with the preparation of the budget, the Association retained the services of a professional reserve analyst to review the funding program for the Association and

provide recommendations for future funding of the reserve accounts. * A summary of the study is provided for your review and copies of the complete reserve study are available upon request.

The board has determined that the Association's reserves will be funded in the upcoming fiscal year via Regular Assessments.

According to the reserve analyst, the Association is currently **62.2%** funded to the ideal funding amount. Also, as of the most recent financial statement for the current fiscal year, the Association has **\$1,643,212.13** in reserve funds.

ADDITIONAL DISCLOSURES:

All owners have a right to obtain a copy of minutes of the Regular General Session Board of Directors meetings. Any requests for such meeting minutes must be made in writing to the CYPRESS HOME OWNERS ASSOCIATION c/o La Perla Property Management, 25201 Paseo De Alicia, Ste 210, Laguna Hills, CA 92653.

Owners may submit a secondary address to the Association for the purpose of assessment collection, provided that the request is made in writing and mailed to the Association in a manner that shall indicate that the Association has received it.

Official communication to the Association from any member should be sent to:

**CYPRESS HOME OWNERS ASSOCIATION
C/O La Perla Property Management
25201 Paseo De Alicia, Ste 210, Laguna Hills, CA 92653.**

Civil Code allows General Notices to the membership to be posted in a prominent location that has been designated by the Association and that is accessible to all members. As such, please be advised that the Association has designated the clubhouse as the location for posting of General Notices.

Please be advised that the Association has also designated its Clubhouse #2 for the location where Pesticide Notifications will be posted for the Association. Please note the posting location is subject to change.

Thank you for your continued support of the Association. If you should have any questions regarding the enclosed information, please contact our office at 949.668.0800.

** Please note that neither the board, nor management, are reserve study experts and must rely on third parties for information related to reserve funding and these disclosures.*

Cypress Home Owners Association

Approved Operating Budget

For the Fiscal Year January 1, 2023 to December 31, 2023

	Total of Units	250
	2023 Annual Budget	Cost X Unit X Month
Assessment Income	1,050,008.00	350.00
Collection Fees	2,000.00	0.67
Fines	1,000.00	0.33
Keys	400.00	0.13
Interest	2,100.00	0.70
Clubhouse Rental	1,000.00	0.33
Late Charges	3,000.00	1.00
TOTAL INCOME:	1,059,508.00	353.17
<u>Utilities</u>		
Electricity	34,000.00	11.33
Gas	3,000.00	1.00
Water	60,000.00	20.00
Trash & Waste Disposal	92,000.00	30.67
Total	189,000.00	63.00
<u>Landscape</u>		
Maintenance Contract	129,600.00	43.20
Plant Material	3,000.00	1.00
Landscape Extras	3,000.00	1.00
Irrigation Repair	3,000.00	5.00
Tree Trimming	15,000.00	0.33
Backflow Testing/Repairs	1,000.00	0.33
Total	154,600.00	51.53
<u>Building & Common Area Maintenance</u>		
Janitorial Services	6,600.00	2.20
Janitorial Supplies	600.00	0.20
Roofing Repairs	60,000.00	20.00
Common Area Repair	7,000.00	2.33

Lighting Repair	250.00	0.08
Pest Control	7,000.00	2.33
Plumbing	5,000.00	1.67
Clubhouse Repairs	1,000.00	0.33
Total	87,450.00	29.15
<u>Pools</u>		
Monthly/Quarterly Maintenance Contract	13,400.00	4.47
Pool Extras	1,000.00	0.33
Pool Repair	5,000.00	1.67
Pool Supplies/Chemicals	12,000.00	4.00
Pool Inspection	1,200.00	0.40
Total	32,600.00	10.87
<u>Administration</u>		
Bad Debt Write-off	1,000.00	0.33
Tax Prep & Annual Audit	1,500.00	0.50
Collection Fees	2,000.00	0.67
Federal Income Tax	6,000.00	2.00
State Income Tax	2,000.00	0.67
License & Permits	500.00	0.17
Insurance	190,000.00	63.33
Legal Services	3,000.00	1.00
Management Contract	40,950.00	13.65
Management Extras	6,000.00	0.00
Clubhouse Management	1,200.00	0.40
Printing & Postage	3,000.00	1.00
Reserve Study	1,500.00	0.50
Board Member Education	600.00	0.20
Website	550.00	0.18
Social Events	300.00	0.10
Miscellaneous	300.00	0.10
Total Administration	260,400.00	86.80
Total Expenses	724,050.00	241.35

Reserve Allocations

Carports	1,000.00	0.33
Concrete	5,000.00	1.67
Heating and Cooling	1,050.00	0.35
Brick/Wood Repair/Replace	12,000.00	4.00
Tot Lots	36.00	0.01
Building Maintenance	6,000.00	2.00
Walls and Fences	3,000.00	1.00
Wrought Iron Pool	16,000.00	5.33
Irrigation Rehab	50,000.00	16.67
Landscape Rehab	50,300.00	16.77
Lighting Fixtures	36.00	0.01
Painting	57,000.00	19.00
Pest Control	36.00	0.01
Plumbing Rehab	6,000.00	2.00
Roofs	90,000.00	30.00
Restrooms	36.00	0.01
Signs	1,200.00	0.40
Pools	12,000.00	4.00
Trash Enclosures	12,000.00	4.00
Reserve Contingency	1,164.00	0.39
Reserve Interest	2,100.00	0.70
Toal Reserve Allocations	325,958.00	108.65
TOTAL BUDGET	1,050,008.00	350.00

FHA Certification Mandatory Disclosure Statement

Certification by the Federal Housing Administration may provide benefits to members of an association, including an improvement in an owner's ability to refinance a mortgage or obtain secondary financing and an increase in the pool of potential buyers of the separate interest.

This common interest development **is not a condominium project**. As of **11/15/2022** the association of this common interest development is not certified by the Federal Housing Administration because it does not need certification due to it being a planned development, not a condominium.

Current status can be checked at <https://entp.hud.gov/idapp/html/condlook.cfm>

California Civil Code requires this be provided to the membership each year and must be on a separate piece of paper.

VA Certification Mandatory Disclosure Statement

Certification by the Federal Department of Veterans Affairs may provide benefits to members of an association, including an improvement in an owner's ability to refinance a mortgage or obtain secondary financing and an increase in the pool of potential buyers of the separate interest.

This common interest development **is not a condominium project**. As of **11/15/2022** the association of this common interest development is not certified by the Federal Department of Veterans Affairs because it does not need certification due to it being a planned development, not a condominium.

Current status can be checked at:

<https://vip.vba.va.gov/portal/VBAH/VBAHome/condopudsearch>

California Civil Code requires this be provided to the membership each year and must be on a separate piece of paper.

Civil Code § 5300(b)(12) Disclosure

CHARGES FOR DOCUMENTS PROVIDED AS REQUIRED BY SECTION 4525*

The seller may, in accordance with Section 4530 of the Civil Code, provide to the prospective purchaser, at no cost, current copies of any documents specified by Section 4525 that are in the possession of the seller.

A seller may request to purchase some or all of these documents, but shall not be required to purchase ALL of the documents listed on this form.

Property Address:

Owner of Property:

Owner's Mailing Address (If known or different from property address.):

Provider of the Section 4525 Items:

Print Name _____ Position or Title _____ Association or Agent

Date Form Completed:

Check or Complete Applicable Column or Columns Below

Document	Civil Code Section Included	Fee for Document	Not Available (N/A), Not Applicable (N/App), or Directly Provided (DP) by Seller and confirmed in writing by Seller as a current document
Articles of Incorporation or statement that not incorporated	Section 4525(a)(1)	85.00	
CC&Rs	Section 4525(a)(1)	See #1	
Bylaws	Section 4525(a)(1)	See #1	
Operating Rules	Section 4525(a)(1)	60.00	
Age restrictions, if any	Section 4525(a)(2)	N/C	
Rental restrictions, if any	Section 4525(a)(9)	N/C	
Annual budget report or summary, including reserve study	Sections 5300 and 4525(a)(3)	75.00	
Assessment and reserve funding disclosure summary	Sections 5300 and 4525(a)(4)	N/C	
Financial statement review	Sections 5305 and 4525(a)(3)	65.00	
Assessment enforcement policy	Sections 5310 and 4525(a)(4)	See #2	
Insurance summary	Sections 5300 and 4525(a)(3)	55.00	
Required statement of fees	Section 4525	85.00	

Regular assessment	Section 4525(a)(4)		Included w/required statement of fees
Emergency assessment	Section 4525(a)(4)		Included w/required statement of fees
Special assessment	Section 4525(a)(4)		Included w/required statement of fees
Other unpaid obligations of seller	Sections 5675 and 4525(a)(4)		Included w/required statement of fees
Approved changes to assessments	Sections 5300 and 4525(a)(4), (8)	35.00	
Settlement notice regarding common area defects	Sections 4525(a)(6), (7), and 6100	8.00	
Preliminary list of defects	Sections 4525(a)(6), 6000, and 6100	8.00	
Notice(s) of violation	Sections 5855 and 4525(a)(5)	N/C	
Minutes of regular board meetings conducted over the previous 12 months, if requested	Section 4525(a)(10)	N/C	

* The information provided by this form may not include all fees that may be imposed before the close of escrow. Additional fees that are not related to the requirements of Section 4525 shall be charged separately.

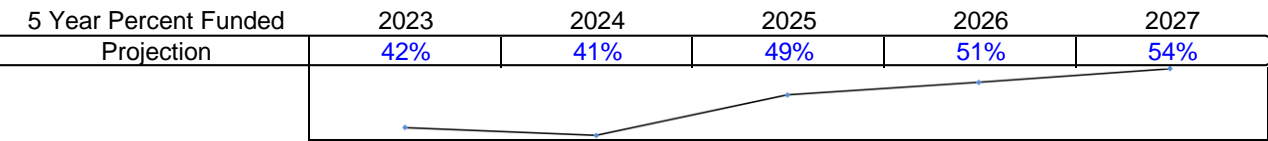
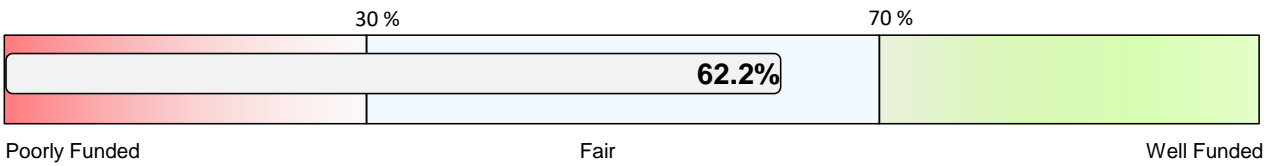
Executive Summary

Cypress HOA

This is a Homeowners Association with 250 Condominium Units.
 The common area components include: asphalt, pool, and building exterior.
 A Full Study with an on-site inspection was performed on January 23, 2020.

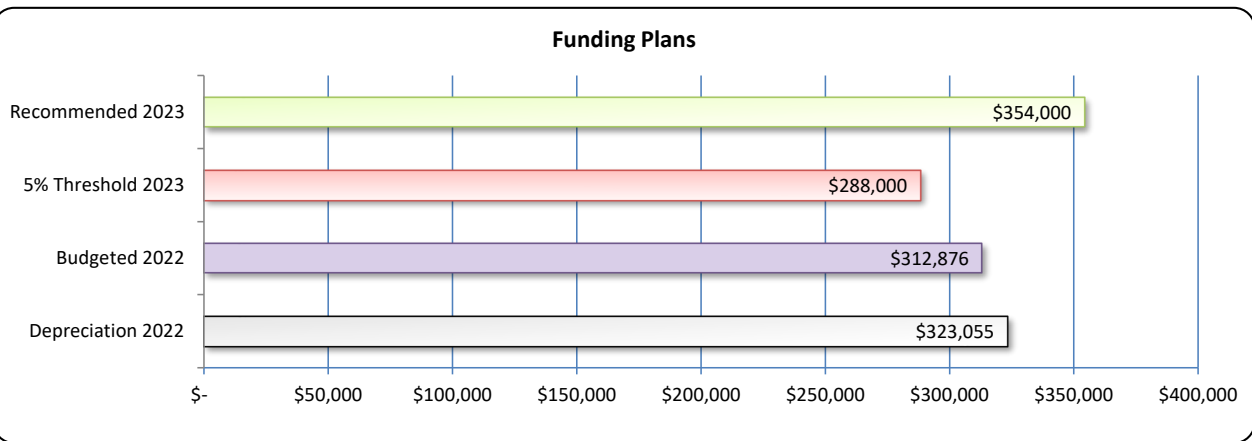
Reserve Fund Balance at Fiscal Year End

Fully Funded Reserve Balance	\$ 2,432,511
Projected Balance December 31, 2022	\$ 1,513,605
Under Funded (Deficiency in Reserve Funding)	\$ 918,906
Deficiency in Reserve Funding Per Unit	\$ 3,675.62
Percent Funded	62.2%



Funding Plans

	Annually	Monthly	Per Unit Monthly
Depreciation of Components in 2022	\$ 323,055	\$ 26,921	\$ 107.68
Budgeted Reserve Contribution 2022	\$ 312,876	\$ 26,073	\$ 104.29
5% Threshold Reserve Contribution for 2023	\$ 288,000	\$ 24,000	\$ 96.00
Recommended Reserve Contribution for 2023	\$ 354,000	\$ 29,500	\$ 118.00



Theoretical 30 Year Funding Plans

Cypress HOA

Above 70% = Well Funded (Low Risk of Special Assessment) Between 30% and 70% = Fairly Funded Below 30% = Poorly Funded (Higher Risk of Special Assessment)

Before Tax Interest Rate	1.5%
Annual Inflation Rate	3.0%
Annual Funding Increase	3.0%

Year End	Annual Expenses	Fully Funded Balance	Current Funding Plan			Recommended Funding Plan			5% Threshold Funding Plan		
			Contribution	Balance	% Funded	Contribution	Balance	% Funded	Contribution	Balance	% Funded
2022	\$ -	\$ 2,432,511	\$ 312,876	\$ 1,513,605	62%	\$ -	\$ 1,513,605	62%	\$ -	\$ 1,513,605	62%
2023	\$ 1,217,104	\$ 1,521,934	\$ 322,262	\$ 641,467	42%	\$ 354,000	\$ 673,205	44%	\$ 288,000	\$ 607,205	40%
2024	\$ 372,343	\$ 1,507,632	\$ 331,930	\$ 610,676	41%	\$ 364,620	\$ 675,580	45%	\$ 296,640	\$ 540,610	36%
2025	\$ 63,752	\$ 1,836,924	\$ 341,888	\$ 897,973	49%	\$ 375,559	\$ 997,520	54%	\$ 305,539	\$ 790,506	43%
2026	\$ 231,474	\$ 2,005,294	\$ 352,145	\$ 1,032,113	51%	\$ 386,825	\$ 1,167,835	58%	\$ 314,705	\$ 885,596	44%
2027	\$ 207,118	\$ 2,215,963	\$ 362,709	\$ 1,203,185	54%	\$ 398,430	\$ 1,376,664	62%	\$ 324,147	\$ 1,015,908	46%
2028	\$ 223,734	\$ 2,426,218	\$ 373,590	\$ 1,371,089	57%	\$ 410,383	\$ 1,583,963	65%	\$ 333,871	\$ 1,141,283	47%
2029	\$ 96,409	\$ 2,792,054	\$ 384,798	\$ 1,680,045	60%	\$ 422,695	\$ 1,934,008	69%	\$ 343,887	\$ 1,405,880	50%
2030	\$ 741,070	\$ 2,483,585	\$ 396,342	\$ 1,360,517	55%	\$ 435,375	\$ 1,657,323	67%	\$ 354,204	\$ 1,040,102	42%
2031	\$ 104,274	\$ 2,866,833	\$ 408,232	\$ 1,684,883	59%	\$ 448,437	\$ 2,026,345	71%	\$ 364,830	\$ 1,316,259	46%
2032	\$ 574,794	\$ 2,765,357	\$ 420,479	\$ 1,555,842	56%	\$ 461,890	\$ 1,943,837	70%	\$ 375,775	\$ 1,136,984	41%
2033	\$ 82,340	\$ 3,206,450	\$ 433,094	\$ 1,929,933	60%	\$ 475,746	\$ 2,366,400	74%	\$ 387,048	\$ 1,458,747	45%
2034	\$ 389,082	\$ 3,342,450	\$ 446,086	\$ 2,015,886	60%	\$ 490,019	\$ 2,502,833	75%	\$ 398,659	\$ 1,490,205	45%
2035	\$ 188,393	\$ 3,713,393	\$ 459,469	\$ 2,317,200	62%	\$ 504,719	\$ 2,856,702	77%	\$ 410,619	\$ 1,734,785	47%
2036	\$ 734,069	\$ 3,519,549	\$ 473,253	\$ 2,091,143	59%	\$ 519,861	\$ 2,685,345	76%	\$ 422,938	\$ 1,449,675	41%
2037	\$ 194,279	\$ 3,918,332	\$ 487,451	\$ 2,415,682	62%	\$ 535,457	\$ 3,066,803	78%	\$ 435,626	\$ 1,712,768	44%
2038	\$ 2,056,133	\$ 2,330,581	\$ 502,074	\$ 897,858	39%	\$ 551,520	\$ 1,608,192	69%	\$ 448,695	\$ 131,021	6%
2039	\$ 77,958	\$ 2,850,147	\$ 517,136	\$ 1,350,505	47%	\$ 568,066	\$ 2,122,424	74%	\$ 462,155	\$ 517,184	18%
2040	\$ 471,732	\$ 2,975,452	\$ 532,650	\$ 1,431,680	48%	\$ 585,108	\$ 2,267,636	76%	\$ 476,020	\$ 529,229	18%
2041	\$ 144,151	\$ 3,475,295	\$ 548,630	\$ 1,857,634	53%	\$ 602,661	\$ 2,760,161	79%	\$ 490,301	\$ 883,317	25%
2042	\$ 1,274,309	\$ 2,784,861	\$ 565,089	\$ 1,176,278	42%	\$ 620,741	\$ 2,147,995	77%	\$ 505,010	\$ 127,267	5%
2043	\$ 169,138	\$ 3,286,461	\$ 582,042	\$ 1,606,826	49%	\$ 639,363	\$ 2,650,440	81%	\$ 520,160	\$ 480,198	15%
2044	\$ 579,172	\$ 3,377,686	\$ 599,503	\$ 1,651,259	49%	\$ 658,544	\$ 2,769,569	82%	\$ 535,765	\$ 443,994	13%
2045	\$ 97,919	\$ 4,010,693	\$ 617,488	\$ 2,195,597	55%	\$ 678,301	\$ 3,391,494	85%	\$ 551,838	\$ 904,573	23%
2046	\$ 408,245	\$ 4,346,200	\$ 636,012	\$ 2,456,298	57%	\$ 698,650	\$ 3,732,771	86%	\$ 568,393	\$ 1,078,289	25%
2047	\$ 1,051,030	\$ 4,016,302	\$ 655,093	\$ 2,097,206	52%	\$ 719,609	\$ 3,457,342	86%	\$ 585,445	\$ 628,878	16%
2048	\$ 1,070,543	\$ 3,675,697	\$ 674,746	\$ 1,732,867	47%	\$ 741,197	\$ 3,179,857	87%	\$ 603,008	\$ 170,777	5%
2049	\$ 333,116	\$ 4,143,301	\$ 694,988	\$ 2,120,732	51%	\$ 763,433	\$ 3,657,872	88%	\$ 621,098	\$ 461,321	11%
2050	\$ 574,704	\$ 4,385,183	\$ 715,838	\$ 2,293,676	52%	\$ 786,336	\$ 3,924,372	89%	\$ 639,731	\$ 533,268	12%
2051	\$ 138,360	\$ 5,128,402	\$ 737,313	\$ 2,927,035	57%	\$ 809,926	\$ 4,654,804	91%	\$ 658,923	\$ 1,061,830	21%
2052	\$ 597,564	\$ 5,420,127	\$ 759,432	\$ 3,132,809	58%	\$ 834,224	\$ 4,961,287	92%	\$ 678,691	\$ 1,158,885	21%

Note: All future projections are theoretical. The estimated lives and costs of components will likely change over time depending on factors such as inflation rates and levels of maintenance. Reserve analysis should be performed annually to account for these factors.

Component Summary
Cypress HOA

Category Component	Approx. Quantity	Unit of Measure	Useful Life	Remaining Life	Unit Cost	Total Cost	Cost Source	
Roofing								
Tile Underlayment & Repairs (1)	11600	SF	35	11	\$ 9.54	\$ 110,664	1	
Tile Underlayment & Repairs (2)	11600	SF	35	13	\$ 9.54	\$ 110,664	1	
Tile Underlayment & Repairs (3)	11600	SF	35	15	\$ 9.54	\$ 110,664	1	
Tile Underlayment & Repairs (4)	11600	SF	35	17	\$ 9.54	\$ 110,664	1	
Tile Underlayment & Repairs (5)	11600	SF	35	19	\$ 9.54	\$ 110,664	1	
Tile Underlayment & Repairs (6)	11600	SF	35	21	\$ 9.54	\$ 110,664	1	
Tile Underlayment & Repairs (7)	11600	SF	35	24	\$ 9.54	\$ 110,664	1	
Tile Underlayment & Repairs (8)	11600	SF	35	25	\$ 9.54	\$ 110,664	1	
Tile Underlayment & Repairs (9)	11600	SF	35	26	\$ 9.54	\$ 110,664	1	
Clubhouse Tile Underlayment	3900	SF	35	12	\$ 9.54	\$ 37,206	1	
Flat Roofing - Replace (10%)	226000	SF	2	1	\$ 6.89	\$ 155,714	1	
Carport Repairs	1	Allowance	15	0	\$ 18,550.00	\$ 18,550	1	
Gutters & Downspouts		Responsibility of Individual Homeowner				\$ -	\$ -	1
						\$ 1,207,446		
Painting								
Stucco	250	Each	12	7	\$ 689	\$ 172,250	1	
Carports (Metal)	88000	SF	5	4	\$ 0.85	\$ 74,624	1	
Interior Walls (Clubhouses)	2	Each	12	6	\$ 2,730	\$ 5,459	1	
Wood Trim/Siding/Balconies	250	Each	6	1	\$ 689	\$ 172,250	1	
Metal Fence (Pool Areas)	770	LF	5	0	\$ 9.54	\$ 7,346	1	
						\$ 431,929		
Flatwork								
Asphalt		Responsibility of City per Management						3
Concrete Repairs	1	Allowance	10	9	\$ 11,236	\$ 11,236	1	
						\$ 11,236		
Fencing/Rails								
Metal Pool Fence	770	Allowance	25	0	\$ 36	\$ 27,751	1	
Wood Fencing (Rear Alley)	110	LF	20	0	\$ 39.33	\$ 4,326	1	
Trash Gates/Wood Enclosures	16	Each	20	4	\$ 2,730	\$ 43,672	1	
						\$ 75,749		
Clubhouse #1								
HVAC Units (3-ton)	2	Each	15	5	\$ 4,781	\$ 9,561	1	
Kitchen Area - Refurbish	1	Each	24	1	\$ 5,618	\$ 5,618	1	
Range/Oven	1	Each	15	2	\$ 1,124	\$ 1,124	1	
Refrigerator	1	Each	10	4	\$ 1,124	\$ 1,124	1	
Office Area - Refurbish	1	Each	20	0	\$ 1,685	\$ 1,685	1	
Restrooms Refurbish	2	Each	20	13	\$ 5,618	\$ 11,236	1	
Sitting Room/Fireplace - Refurbish	1	Each	25	0	\$ 6,742	\$ 6,742	1	
Vinyl Flooring	950	SF	32	0	\$ 9.01	\$ 8,560	1	
Water Heater	1	Each	15	6	\$ 1,685	\$ 1,685	1	
						\$ 47,334		
Clubhouse #2								
HVAC Unit (4-ton)	1	Each	15	5	\$ 6,689	\$ 6,689	1	
Kitchen Area - Refurbish	1	Each	24	0	\$ 5,618	\$ 5,618	1	
Range/Oven	1	Each	15	2	\$ 1,124	\$ 1,124	1	
Refrigerator	1	Each	10	4	\$ 1,124	\$ 1,124	1	
Restrooms Refurbish	2	Each	20	13	\$ 5,618	\$ 11,236	1	
Sitting Room/Fireplace - Refurbish	1	Each	25	2	\$ 6,742	\$ 6,742	1	
Vinyl Flooring	950	SF	32	0	\$ 9.01	\$ 8,560	1	
Water Heater	1	Each	15	5	\$ 1,685	\$ 1,685	1	
Window Coverings	5	Each	10	4	\$ 339	\$ 1,696	1	
						\$ 44,472		

Category Component	Approx. Quantity	Unit of Measure	Useful Life	Remaining Life	Unit Cost	Total Cost	Cost Source
Pool & Wader Area #1							
Pool Resurface/Tile	150	LF	12	0	\$ 101	\$ 15,105	1
Pool Heater	1	Each	10	0	\$ 3,710	\$ 3,710	1
Pool Filters	2	Each	10	1	\$ 1,352	\$ 2,703	1
Wader Resurface/Tile	1	Allowance	8	0	\$ 4,781	\$ 4,781	1
Wader Filter	1	Each	10	0	\$ 1,352	\$ 1,352	1
Pool/Wader Pumps/Motors	2	Each	7	0	\$ 1,012	\$ 2,025	1
Pool Deck - Repairs	1	Allowance	24	1	\$ 8,432	\$ 8,432	1
Pool Furnishings	1	Allowance	6	0	\$ 2,809	\$ 2,809	1
						\$ 40,916	
Pool & Wader Area #2							
Pool Resurface/Tile	150	LF	12	0	\$ 101	\$ 15,105	1
Pool Heater	1	Each	10	0	\$ 3,710	\$ 3,710	1
Pool Filters	2	Each	10	3	\$ 1,352	\$ 2,703	1
Wader Resurface/Tile	1	Allowance	8	1	\$ 4,781	\$ 4,781	1
Wader Filter	1	Each	10	0	\$ 1,352	\$ 1,352	1
Pool/Wader Pumps/Motors	2	Each	7	0	\$ 1,012	\$ 2,025	1
Pool Deck - Repairs	1	Allowance	20	0	\$ 8,432	\$ 8,432	1
Pool Furnishings	1	Allowance	6	0	\$ 2,809	\$ 2,809	1
						\$ 40,916	
Pool Area #3							
Pool Resurface/Tile	85	LF	12	0	\$ 101	\$ 8,560	1
Pool Heater	1	Each	10	2	\$ 3,371	\$ 3,371	1
Pool Filter	2	Each	10	3	\$ 1,352	\$ 2,703	1
Pool Pump/Motor	2	Each	7	0	\$ 1,012	\$ 2,025	1
Pool Deck - Repairs	1	Allowance	20	2	\$ 3,933	\$ 3,933	1
Pool Furnishings	1	Allowance	6	0	\$ 1,685	\$ 1,685	1
Pool Restrooms	2	Allowance	20	13	\$ 3,933	\$ 7,865	1
Water Heater	1	Each	12	0	\$ 1,685	\$ 1,685	1
						\$ 31,827	
Tot Lot Equipment							
Play Structure (Clubhouse #1)	1	Each	15	3	\$ 14,056	\$ 14,056	1
Play Structure (Clubhouse #2)	1	Each	15	8	\$ 33,735	\$ 33,735	1
Play Structure (near #4836)	1	Each	15	3	\$ 14,056	\$ 14,056	1
Play Structure (near #4695)	1	Each	15	6	\$ 22,493	\$ 22,493	1
Swingset - 4 child (near #4836)	1	Each	15	4	\$ 7,871	\$ 7,871	1
Swingset - 2 child near #4695)	1	Each	15	4	\$ 5,618	\$ 5,618	1
Climbing Structure (near #4836)	1	Each	15	4	\$ 4,494	\$ 4,494	1
Wood Chip Replacement						\$ -	3
						\$ 102,322	
Landscaping							
Irrigation System - Upgrade/Replace	1	Allowance	15	0	\$ 1,007,000	\$ 1,007,000	3
Tree Trimming	1	Allowance	2	0	\$ 31,800	\$ 31,800	1
Landscap Replacements						\$ -	3
						\$ 1,038,800	
Lighting							
Repairs & Replacements	1	Allowance	25	3	\$ 10,600	\$ 10,600	1
Pole Lights						\$ -	1
						\$ 10,600	
Miscellaneous							
Benches (Metal) - Replace	8	Each	20	15	\$ 1,060	\$ 8,480	1
Signage (Address)	1	Allowance	20	13	\$ 13,494	\$ 13,494	1
Termite Treatment	1	Each	15	9	\$ 182,177	\$ 182,177	1
Wood Siding - Repair/Replace	250	Each	20	7	\$ 337	\$ 84,270	1
Plumbing Repairs	1	Allowance	1	0	\$ 12,000	\$ 12,000	1
						\$ 300,421	
Contingency							
5%							1
TOTALS						\$ 3,383,967	

Notes: Any other items not listed are included in operating budget.

Assessment and Reserve Funding Disclosure Summary
Cypress HOA

(1) The current regular assessment per ownership interest per month is:

\$ 340.00 per month for the year ending 12/31/22

(2) Additional regular or special assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members: As of 8/8/2022

Date Assessment is Due	Amount per unit	Purpose of Assessment
NA		
Total:		

(3) Based upon the most recent reserve study and other information available to the board of directors, will currently projected reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years?

Yes No

Note: This calculation assumes the association will raise their current reserve contribution 3% per year over the next 30 years.

(4) If the answer to #3 is no, what additional assessments or other contributions to reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years?

Not Applicable

Note: This calculation assumes the association will raise their current reserve contribution 3% per year over the next 30 years.

(5) All major components appropriate for reserve funding are included in the reserve study and are included in it's calculations.

(6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the civil code the estimated amount required in the reserve fund at the end of the current fiscal year is:

\$ 2,432,511 based in whole or in part on the last reserve study or update prepared by McCaffery Reserve Consulting as of 12/31/2022 the projected reserve fund cash balance at the end of the current fiscal year is: \$ 1,513,605 resulting in the reserves being 62% funded at this date.

(7) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the civil code the projected required amount in reserves, projected reserve fund cash balance and projected percent funded for each of the next 5 years is:

Year	Amt Required	Proj. Balance	% Funded
2023	\$ 1,521,934	\$ 641,467	42%
2024	\$ 1,507,632	\$ 610,676	41%
2025	\$ 1,836,924	\$ 897,973	49%
2026	\$ 2,005,294	\$ 1,032,113	51%
2027	\$ 2,215,963	\$ 1,203,185	54%

For more detail see attached theoretical 30 year funding plans.

Note: This calculation assumes the association will raise their reserve contribution 3% per year over the next 30 years.

NOTE: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change. At the time this summary was prepared, the assumed long-term before-tax interest rate was : 1.50% per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was: 3.00% per year

(b) For the purposes of preparing a summary pursuant to this section:

(1) "Estimated remaining useful life" means the time reasonably calculated to remain before a major component will require replacement.

(2) "Major component" has the meaning used in Section 5530. Components with an estimated remaining useful life of more than 30 years may be included in a study as a capital asset or disregarded from the reserve calculation, so long as the decision is revealed in the reserve study report and reported in the Assessment and Reserve Funding Disclosure Summary.

(3) The form set out in subdivision (a) shall accompany each pro forma operating budget or summary thereof that is delivered pursuant to this article. The form may be supplemented or modified to clarify the information delivered, so long as the minimum information set out in subdivision (a) is provided.

(4) For the purpose of the report and summary, the amount of reserves needed to be accumulated for a component at a given time shall be computed as the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component. This shall not be construed to require the board to fund reserves in accordance with this calculation.

The Preparer of this form will be indemnified and held harmless against all losses, claims, action, damages, expenses or liabilities, including reasonable attorneys' fees, to which we may become subject in connection with this engagement, because of any false, misleading or incomplete information which has been provided to Preparer by others and relied upon by Preparer which may result from any improper use or reliance on this disclosure.

Cypress Home Owners Association
Assessment and Billing Collection Policy

Prompt payment of Assessments by all owners is critical to the financial health of the Association, and to the enhancement of the property values of our homes. Your Board of Directors takes very seriously its obligation under the Declaration of Covenants, Conditions and Restrictions (CC&R's) and the California Civil Code to enforce the members' obligation to pay assessments. The policies and practices outlined herein shall remain in effect until such time as they may be changed, modified, or amended by a duly adopted resolution of the Board of Directors. Therefore, pursuant to the CC&R's and California Civil Code, the following are the Association's assessment practices and policies:

1. Assessments are billed monthly and are due and payable on the first day of each month. A courtesy billing statement is sent monthly to the billing address on record with the Association. **However, it is the Owner of Record's responsibility to pay each assessment in full each month regardless of the receipt of a statement.** All other assessments, including Special Assessments, are due and payable on the date specified by the Board on the Notice of Assessment which date will not be less than thirty (30) days after the date of notice of the special assessment.
2. Assessments, late charges, interest and collection costs, including any attorney fees, are the personal obligation of the owner(s) of the property at the time the assessment or other sums are levied, *per Civil Code Sections 5650(a) & 5660.pas*
3. Assessments not received within **15 days** of the stated due date are delinquent and shall be subject to a late charge of **twenty dollars (\$20.00)** for each delinquent assessment per unit. Additionally, a "Notice of Past Due Assessment" will be prepared and mailed on the day immediately following the past due date.
4. Any payments made shall be first applied to assessments owed, and only after the assessments owed are paid in full, shall such payments be applied to late charges, interest, and collection expenses, including attorney's fees, unless the owner(s) and the Association enter into an agreement providing for payments to be applied in a different manner.
5. If an assessment is not received within **forty-five (45) days** of the "stated due date", the Association will send a **"pre-lien letter"** to the owner(s) as required by *Civil Code Sections 5650(a) & 5660*, by certified and first-class mail, to the mailing address of record advising of the delinquent status of the account and impending collection action. The owner(s) will be charged a **seventy-five dollars (\$75.00) fee** for the pre-lien letter. Additional pre-lien letters, if needed, will result in a **fifty-dollar (\$50.00) fee**. In addition, the owner(s) will also be charged a **forty dollars (\$40.00) fee** for each title check necessary to process the delinquency and a **one hundred dollar (\$100.00) fee** for a Resolution to Lien action taken by the Board of Directors.
6. If any owner(s) fail(s) to pay the amounts set forth in the pre-lien letter within **thirty (30) days** of the date of that letter, a **lien** for the amount of any delinquent assessments, late charges, interest and/or costs of collection including attorneys' fees may be assessed against the property. The owner(s) will be charged three hundred forty-five dollars **(\$345.00) fee** for the preparation and

recordation of the lien. After the expiration of thirty (30) days following recordation of the lien, the lien may be enforced in any manner permitted by law, including, without limitation, judicial or non-judicial foreclosure *as noted in Civil Code Sections 5725 (b), 5735(a),(b), 5700(a), 5710(a),(c)*, subject to the limitations set forth below under “Additional Provisions to Conform to Law” and as otherwise provided by law.

7. If the balance due is not paid within **thirty (30) days** of recordation of the Lien, the matter may be turned over to an attorney for legal action, including an “action to foreclose” the assessment lien and/or for a money judgment. The owner(s) will be charged **three hundred dollars (\$300.00)** for preparing the matter to be sent to counsel.
8. Any owner(s) who reach the lien stage may be subject to the violation hearing process wherein membership rights including, but not limited to, common area access, voting, and/or facility use privileges may be revoked.
9. Any owner(s) who rents the property in question to a third party may be subject to the “assignment of rents” process through the judicial system wherein the Association collects the rents until the debt is repaid.
10. If there is a failure to bring the account current within the parameters specified in California Civil Code, the Board of Directors may resolve to foreclose on the property via the judicial or non-judicial foreclosure process. The fee to process a foreclosure package is **two hundred seventy-five dollars (\$275.00)**, not including attorney fees, court costs, or other ancillary fees.
11. All owners are entitled to inspect the Association’s accounting books and records to verify the amounts owed on their property pursuant to *Corporations Code Section 8333*.
12. In the event it is determined that the owner(s) paid the assessments on time, the owner(s) will not be liable to pay the charges, interest, and costs of collection associated with the collection of those assessments.
13. Owner(s) unable to pay assessments will be entitled to make a written request for a payment plan to be considered by the Board of Directors. Owner(s) may also request to meet with the Board in executive session to discuss a payment plan. The Board will consider payment plan requests on a case-by-case basis and is under no obligation to grant payment plan requests. If the Board agrees to accept a payment plan, a **\$25.00 per month fee** will be charged to the owner(s) to administer and monitor the payment plan.
14. Nothing herein limits or otherwise affects the Association’s rights to proceed in any lawful manner to collect any delinquent sums owed to the Association.
15. Prior to the release of any lien, or dismissal of any legal action, all assessments, late charges, interest, and legal fees must be paid in full to the Association. The fee to execute **a lien release is \$50.00**.
16. The delinquent owner(s) will be responsible for all costs of collection, including attorneys’ fees, incurred by the Association to collect any delinquent sums *Civil Code Section 5650(b)*.
17. All charges listed herein are subject to change without notice.
18. If an owner pays under protest, the owner can **at the same time pursue dispute resolution AND** commence an action in small claims court (amount at issue must not exceed jurisdictional monetary limit), per Civil Code Section 5658.

Additional Provisions to Conform to Law

Prior to the recording of a lien, owners that are delinquent will be sent a “pre-lien” letter. The pre-lien letter will include an offer by the association to engage in internal dispute resolution upon receipt of a written request within thirty (30) days of the pre-lien letter, pursuant to the association’s meet and confer program required by *Civil Code Section 5900, et seq.*

Prior to recording of a lien, the Board of Directors will approve the recording of the lien in general session at a regular or special board meeting.

The association may not foreclose unless delinquent assessments are greater than \$1,800 or greater than one year in arrears.

Prior to commencing foreclosure, the association will offer to engage in internal dispute resolution upon receipt of a written request within thirty (30) days of the offer of such internal dispute resolution, pursuant to the association’s meet and confer program required by *Civil Code Section 5900, et seq.* and will also offer to engage in formal alternative dispute resolution with a neutral third party pursuant to *Civil Code Section 5925, et seq.*

Prior to commencement of foreclosure, the Board of Directors will approve the foreclosure in executive session and note the approval in the following general minutes of the Association using the assessor’s parcel number.

All completed foreclosures shall be subject to a ninety (90) day right of redemption.

Fee and Penalty Procedures

The following charges may be assessed in accordance with the Association's Assessment and Billing Collection Policy:

Late Charge	\$20.00
Notice of Past Due Assessment & Support	\$10 x notice
Pre-Lien Letter	\$200.00
Additional Pre-Lien Letters	\$200.00 each
Title Check Fee	\$50.00 each
Resolution to Record Lien	\$300.00
Lien Fee	\$300.00 plus costs
California Government Code §27388.1 State Mandated Recording Fee	\$75.00
Additional Lien mailings	\$300.00 each
Lien Release	\$225.00
Payment Plan Admin. Fee	\$50.00 monthly
Attorney Package Preparation	\$300.00
Returned Check Fee	\$40.00
Foreclosure Processing Fee	\$Atty Cost

In addition to the above, if a matter is sent to counsel for legal action, or to a collection service for foreclosure or other action, the owner(s) will be responsible for any attorneys' fees and costs incurred by such action.

The mailing address for overnight payment of assessments is:

La Perla Property Management
25201 Paseo De Alicia, Ste 210
Laguna Hills, CA 92653

**IMPORTANT NOTICE: IF YOUR SEPARATE INTEREST IS PLACED IN
FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR ASSESSMENTS,
IT MAY BE SOLD WITHOUT COURT ACTION**

1. All owners are entitled to inspect the Association's accounting books and records to verify their amounts owed pursuant to Corporations Code Section 8333.
2. In the event it is determined that an owner has paid the assessments on time, the owner will not be liable to pay the charges, interest and costs of collection associated with collection of those assessments.
3. Any owner who is unable to pay assessments will be entitled to make a written request for a payment plan to be considered by the Board of Directors. An owner may also make a written request to meet with the Board in executive session to discuss a payment plan. If the owner requests to meet with the Board to discuss a payment plan within fifteen (15) days of receiving the pre-lien letter, then the Board shall meet with the owner within forty-five days of the postmark on the owner's request, unless there is no regularly scheduled board meeting within that period, in which case the board may designate a committee of one or more members to meet with the owner. The Board will consider payment plan requests on a case-by-case basis and is under no obligation to grant payment plan requests.
4. An owner is entitled to dispute the assessment debt by submitting a written request for dispute resolution to the association pursuant to the association's "meet and confer" program required in Article 2 (commencing with Section 5900) of Chapter 10.
5. Prior to initiating foreclosure against the owner's separate interest, the owner is entitled to submit a written request for alternative dispute resolution with a neutral third party pursuant to Article 3 (commencing with Section 5925) of Chapter 10, except that binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.
6. Statements will be mailed from Management as a courtesy **AND MAY NOT REFLECT** the collection costs, attorneys' fees or other charges, or payments received by the collection service.
7. Nothing herein limits or otherwise affects the Association's right to proceed in any lawful manner to collect any delinquent sums owed to the Association.
8. All charges listed herein are subject to change upon thirty (30) days' prior written notice.
9. The mailing address for payments of assessments by overnight delivery is:

**La Perla Property Management
25201 Paseo De Alicia, Ste 210
Laguna Hills, CA 92653**

Please note that should an account be referred to a collection service, the collection service will provide the new address for overnight payments.

“NOTICE ASSESSMENTS AND FORECLOSURE

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

ASSESSMENTS AND FORECLOSURE

Assessments become delinquent 15 days after they are due unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure or without court action, often referred to as non-judicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or non-judicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months delinquent, an association may use judicial or non-judicial foreclosure subject to the conditions set forth in Section 5705 of the Civil Code. When using judicial or non-judicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections 5600, 5605, 5650, 5660; 5700 and 5705 of the Civil Code)

In a judicial or non-judicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use non-judicial foreclosure to collect fines or penalties, except for costs to repair common areas damaged by a member or a member's guests, if the governing documents provide for this. (Sections 5600 and 5650 of the Civil Code)

The association must comply with the requirements of Sections 5650, 5673, 5675 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 5650 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, including a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt. (Section 5660 of the Civil Code)

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

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

PAYMENTS

When an owner makes a payment, 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. (Section 5655 of the Civil Code)

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

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

MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a timeshare 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 5665 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 to the payment plan standards of the association if they exist. (Section 5665 of the Civil Code) *

*Citations to Code Sections are verbatim from Civil Code effective as of 1/1/2014.

INTERNAL DISPUTE RESOLUTION [CIVIL CODE § 5915]

Either party to a dispute within the scope of this article may invoke the following procedure:

- (1) The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be in writing.
- (2) A member of an association may refuse a request to meet and confer. The association may not refuse a request to meet and confer.
- (3) The board shall designate a director to meet and confer.
- (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 dispute. The parties may be assisted by an attorney or another person at their own cost when conferring.
- (5) A resolution of the 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.

A written agreement reached under this section binds the parties and is judicially enforceable if it is signed by both parties and both of the following conditions are satisfied:

- (1) The agreement is not in conflict with law or the governing documents of the common interest development or association.
- (2) The agreement is either consistent with the authority granted by the board to its designee or the agreement is ratified by the board.

A member shall not be charged a fee to participate in the process.

ALTERNATIVE DISPUTE RESOLUTION PREREQUISITE TO CIVIL ACTION [5925 - 5965]

5925. As used in this article:

- (a) "Alternative dispute resolution" means mediation, arbitration, conciliation, or other nonjudicial procedure that involves a neutral party in the decision-making process. The form of alternative dispute resolution chosen pursuant to this article may be binding or nonbinding, with the voluntary consent of the parties.
- (b) "Enforcement action" means a civil action or proceeding, other than a cross-complaint, for any of the following purposes:
 - (1) Enforcement of this act.
 - (2) Enforcement of the Nonprofit Mutual Benefit Corporation Law (Part 3 (commencing with Section 7110) of Division 2 of Title 1 of the Corporations Code).
 - (3) Enforcement of the governing documents.

5930. (a) An association or a member may not file an enforcement action in the superior court unless the parties have endeavored to submit their dispute to alternative dispute resolution pursuant to this article.

- (b) This section applies only to an enforcement action that is solely for declaratory, injunctive, or writ relief, or for that relief in conjunction with a claim for monetary damages not in excess of the jurisdictional limits stated in Sections 116.220 and 116.221 of the Code of Civil Procedure.
- (c) This section does not apply to a small claims action.
- (d) Except as otherwise provided by law, this section does not apply to an assessment dispute.

5935. (a) Any party to a dispute may initiate the process required by Section 5930 by serving on all other parties to the dispute a Request for Resolution. The Request for Resolution shall include all of the following:

- (1) A brief description of the dispute between the parties.
- (2) A request for alternative dispute resolution.
- (3) A notice that the party receiving the Request for Resolution is required to respond within 30 days of receipt or the request will be deemed rejected.
- (4) If the party on whom the request is served is the member, a copy of this article.

(b) Service of the Request for Resolution shall be by personal delivery, first-class mail, express mail, facsimile transmission, or other means reasonably calculated to provide the party on whom the request is served actual notice of the request.

(c) A party on whom a Request for Resolution is served has 30 days following service to accept or reject the request. If a party does not accept the request within that period, the request is deemed rejected by the party.

5940. (a) If the party on whom a Request for Resolution is served accepts the request, the parties shall complete the alternative dispute resolution within 90 days after the party initiating the request receives the acceptance, unless this period is extended by written stipulation signed by both parties.

(b) Chapter 2 (commencing with Section 1115) of Division 9 of the Evidence Code applies to any form of alternative dispute resolution initiated by a Request for Resolution under this article, other than arbitration.

(c) The costs of the alternative dispute resolution shall be borne by the parties.

5945. If a Request for Resolution is served before the end of the applicable time limitation for commencing an enforcement action, the time limitation is tolled during the following periods:

(a) The period provided in Section 5935 for response to a Request for Resolution.

(b) If the Request for Resolution is accepted, the period provided by Section 5940 for completion of alternative dispute resolution, including any extension of time stipulated to by the parties pursuant to Section 5940.

5950. (a) At the time of commencement of an enforcement action, the party commencing the action shall file with the initial pleading a certificate stating that one or more of the following conditions are satisfied:

- (1) Alternative dispute resolution has been completed in compliance with this article.
- (2) One of the other parties to the dispute did not accept the terms offered for alternative dispute resolution.
- (3) Preliminary or temporary injunctive relief is necessary.

(b) Failure to file a certificate pursuant to subdivision (a) is grounds for a demurrer or a motion to strike unless the court finds that dismissal of the action for failure to comply with this article would result in substantial prejudice to one of the parties.

5955. (a) After an enforcement action is commenced, on written stipulation of the parties, the matter may be referred to alternative dispute resolution. The referred action is stayed. During the stay, the action is not subject to the rules implementing subdivision (c) of Section 68603 of the Government Code.

(b) The costs of the alternative dispute resolution shall be borne by the parties.

5960. In an enforcement action in which attorney's fees and costs may be awarded, the court, in determining the amount of the award, may consider whether a party's refusal to participate in alternative dispute resolution before commencement of the action was reasonable.

5965. (a) An association shall annually provide its members a summary of the provisions of this article that specifically references this article. The summary shall include the following language:

"Failure of a member of the association to comply with the alternative dispute resolution requirements of Section 5930 of the Civil Code may result in the loss of the member's right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law."

(b) The summary shall be included in the annual policy statement prepared pursuant to Section 5310.

CYPRESS HOME OWNERS ASSOCIATION (CHOA)
Responsibilities • Rules and Regulations • Architectural Guidelines
Adopted: January 27, 2022

CHOA Responsibilities

(Excluding damage caused by homeowners and residents)

1. Exterior painting of all original dwellings, carports, clubhouses, and pool structures including:
 - a. Wood trim and doors
 - b. Metal trim
 - c. Stucco
2. Interior painting in clubhouse and pool structures.
3. Roofs on original structures (excluding damage caused by homeowner installations such as antennae, air conditioning, satellite dishes, and solar heating panels).
4. Plumbing, electrical, and general maintenance and repair of clubhouses and pools.
5. Common area fencing and landscaping. (Common areas are the grounds, playgrounds, pool areas, clubhouses, and fronts and sides of unit exteriors.)
6. Trash collection and trash areas.
7. Unit address numbers, signage, and carport space numbers/stripping.
8. Pests, including but not limited to bees and wasps, in the common area.
9. Playground surfaces and equipment.
10. Interior sidewalks.

Utility/City Responsibilities

1. Golden State Water Company:
 - a. Water line from the main to the meter.
2. Southern California Edison Company:
 - a. Residential walkway and carport lighting, and streetlights.
3. Gas Company:
 - a. Pool heating.
4. The City of Cypress:
 - a. Larwin Avenue, streetside sidewalks, and alley asphalt.

Homeowner Responsibilities

1. Patio covers and enclosures.
2. Exterior glass, screens, screen/security doors, eave screens, mailboxes, doorbells, and porch lights.
3. Structural condition of exterior doors on homes and storage areas.
4. Fencing enclosing patio areas and fencing between individual patios.
5. Air conditioning and heating units.
6. Termite control and repair due to termite damage.
7. All pest control inside the unit.
8. Hose bibs.
9. Water line from meter to home.
10. All other items not specifically mentioned above as being maintained by the Association or by a third party such as the City and the utility companies.
11. Interior walls, ceilings, moldings, electrical wiring, floors and floor coverings, and doors. All homeowners must have their own personal homeowner's insurance to protect their personal property and the interior of the units.

Rules and Regulations

1. Rules and Regulations of the Cypress Home Owners Association may be modified by the Board of Directors. Homeowners will be given a 30-day comment period on the new rules. Once approved by the Board, notice of the changes will be sent to the homeowners within 15 days. Violation of any of these rules may result in fines or other action as defined in the Violation and Fine Policy. Homeowners are responsible for ensuring their tenants/renters observe all rules.
2. No noxious, loud, or offensive activity shall be carried out upon any Lot or any part of the Properties, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood, or which shall in any way interfere with the quiet enjoyment of each of the owners of his/her respective dwelling unit, or which shall in any way increase the rate of insurance. Abusive language and profanity, and loud noise/music are not allowed.
3. No personal property shall be left in front of any residence. This includes, but is not limited to, barbecues, bicycles, volleyball nets, skateboards and scooters, tents, toys, mops and brooms, and shoes and sandals. Front common areas are not to be used for storage or as primary cooking areas.
4. Sidewalk chalk is allowed in front of resident's unit only and must be removed by resident within 24 hours. Chalk writing is not allowed in the street or on common areas.
5. No hitting of balls is permitted in the common area. Playing catch or throwing balls is allowed provided there is no disturbance to nearby homeowners. Throwing balls against a unit, building or light standard is prohibited.
6. No skateboarding, scooters, or roller-skating is allowed in the common areas and alleyways. No roller skating/bicycle/skateboard ramps are allowed. Benches and porches are not allowed to be used as roller skating/bicycle/skateboard ramps.
7. No hockey playing is allowed throughout the entire complex.
8. No climbing of trees is allowed.
9. No climbing on carport and/or building roofs is allowed.
10. No carpet is permitted in the front porch entryway. Only standard entry mats are permitted.
11. Only standard window coverings (curtains, blinds, shutters, and shades) are permitted. Bed sheets, paper, posters, stickers, or foil are prohibited.
12. Window or roof unit air conditioners are prohibited. However, portable air conditioners that vent out a window but do not attach to a window are permitted.
13. Items kept on a homeowner's patio must not be visible over the fence from the ground level. Exceptions include standard patio furniture and storage sheds which may not exceed the height of the attached utility closets.
14. Clotheslines on front porches, fences, or in carports or other common areas are prohibited.
15. All trash must be put in the appropriate trash receptacles provided, either regular trash or recyclable trash. The trash service allows homeowners two (2) free large item pickups per year (e.g., hot water tanks, dishwashers, mattresses, furniture, and the like). Do NOT place a large item within the trash enclosure. (Large items are not to be placed in the dumpster.) The large item pickup must be coordinated with the property manager. Tag your items for Valley Vista and place large items OUTSIDE the trash enclosure in a manner that will not obstruct opening/closing of the enclosure gates and will not hinder traffic flow. Household and hazardous waste (petroleum products, pesticides, paint, etc.) are not to be disposed of in trash bin but can be disposed of at the Household and Hazardous Waste Collection Center in Huntington Beach.

16. Appropriate holiday decorations may be displayed in front of a unit no sooner than four (4) weeks prior to a holiday and must be removed no later than four (4) weeks following the holiday.
17. Residents are not permitted to camp in the common area.
18. Only gas barbecues are permitted. Charcoal grills are not allowed. Gas barbecues may be used in front yard areas but cannot remain in the front area for more than twenty-four (24) hours.
19. Renters or guests who are responsible for the destruction of Association property in the pools and/or common area will result in the owner being assessed the full value of repairing or replacing the property.
20. Owners renting their unit are responsible for the conduct of all occupants of their units. Rule violations levied against any occupant will result in a fine against the owner for the rule violation.
21. Bounce houses are not allowed in the common area.

Animal /Pet Rules

1. Any complaints pertaining to pets should be forwarded in writing to the management company/property manager.
2. Pets are not allowed to relieve themselves in the common area. Should any such incident occur, the waste shall be promptly removed by the pet's owner or responsible homeowner.
3. Washing of animal refuse from patios and carports is not allowed.
4. Pets may not be chained or tied in common area, nor are they allowed in the pool areas (service animals excepted).
5. Pets are not permitted to run loose in the common area.
6. The complainant must first initiate a complaint in writing by submitting a completed Barking Dog Complaint Form to OC Animal Care. Complaint forms can be submitted in the following ways: online www.OCPETINFO.COM; fax 714-259-1087; mail or hand delivery to OC Animal Care Barking Dog/Animal Nuisance Program, 1630 Victory Road, Tustin, CA 92782. Initial Complaint Forms CANNOT be submitted over the phone.
[http://media.ocgov.com/gov/occr/animal/services/barking/animal nuisance.asp](http://media.ocgov.com/gov/occr/animal/services/barking/animal%20nuisance.asp). (Revised March 26, 2019)
7. Pet ownership shall conform to all city and county regulations, including those ordinances involving number of pets, rabies vaccinations, licenses, etc. The limit for number of pets is three (3) dogs OR three (3) cats, or any combination thereof.

Clubhouse Rules

Clubhouse Manager and/or CHOA are not responsible for lost or stolen items. Any violations of the Clubhouse Rules may result in a forfeiture of the deposit as well as loss of use for a period of six months.

1. Maximum occupancy is 51 - This is in accordance with the Cypress City Code.
2. Pool key is to be used for the restrooms only. No pool use is allowed during your party.

3. No one under the age of 21 years is permitted the use of the clubhouse without supervision at all times by an adult at least 21 years of age.
4. No alcohol is allowed.
5. No loud music or excessive noise. No disc jockeys or live bands.
6. The event is to remain inside the clubhouse at all times.
7. Outdoor barbecues, tables, outdoor bars, or outdoor buffets are strictly forbidden.
8. No pets or animals are permitted in the clubhouse (service animals excepted).
9. Decorations may be put up with painters' tape or command strips only to avoid damage to surfaces.
10. No glitter or confetti is to be used inside the clubhouse.
11. Fireplaces are not to be used.
12. The clubhouse must be vacated by all guests by 9:00 P.M. Sunday through Thursday, and by 10:00 P.M. Friday, Saturday, and day before a holiday.

Upon leaving, all doors must be securely locked, all lights must be turned off (including the restrooms), and the air conditioner/heater must be in the OFF position. The key must be returned to the Clubhouse Manager within twenty-four (24) hours after the event ends. For every day the key is not returned, the deposit will be docked twenty dollars (\$20.00). Neither Cypress Home Owners Association nor Clubhouse Manager is responsible for lost or stolen items.

A \$25.00 fee is to be collected by the Clubhouse Manager who will forward it to the Association. A deposit of \$100.00 is required for all clubhouse reservations and is to be presented when the key to the clubhouse is picked up. Homeowner must sign rental form for tenant/renter and present an ID. Homeowner and tenant/renter are responsible for any and all damages that may occur to the clubhouse and restrooms during their use or the deposit will not be returned. The deposit will not be returned if the key is lost, and/or if the following is not done to the satisfaction of the clubhouse manager to ensure the clubhouse is left in good clean condition:

- Floors are to be swept and cleaned.
- All trash must be removed, and trashcans cleaned, if necessary, to avoid ants.
- Tables and chairs must be left clean and neatly stacked.
- All decorations, balloons, and tape must be removed.
- Kitchen sink and counters must be thoroughly cleaned. Refrigerator and stove must be thoroughly cleaned and left empty.

Landscaping Rules

1. Unit fronts and sides are considered common areas, and therefore Association property. These areas are maintained by the Association's landscaping company, not the homeowner. Homeowners who have questions or complaints about landscaping maintenance should address them to the management company/property manager.
2. Homeowners may place planters and/or pots containing plants in front of the unit, on the porch in a manner that does not obstruct entry and/or exit from the unit. Placement may be on existing cement pads located in front of the unit. Homeowners are prohibited from placing planters, pots, and/or individual plant material in any of the of the common area landscape.
3. Plants and trees in patios areas must be kept away from the building exterior and roof.
4. Holiday lawn ornaments can be displayed in the common area(s) one (1) month before and up to one (1) month after the holiday.
5. Homeowners wishing to install solar, or Malibu lights must submit an architectural application and receive approval before installation.
6. Appropriate patio furniture is allowed in front of residences on the existing cement pads. It must be maintained in good repair and blend in with the decor of surrounding buildings.
7. Residents must not disturb or make direct requests of the gardeners hired to maintain the complex. Any request for landscape maintenance should be directed to the management company/property manager.

Parking Rules

1. All vehicles and trailers parked in the carport areas must have current DMV registration stickers.
2. No parking is allowed in the fire zones, in front of the garbage bins, or behind parked cars in the carport area. Vehicles parked in these areas shall be reported to the police and are subject to the laws of the City of Cypress.
3. Inoperative or abandoned vehicles may not be kept, placed, or stored in homeowner parking or visitor spaces. For purposes of this regulation, a vehicle is considered to be inoperable or abandoned if:
 - a. The DMV registration stickers on the vehicle's license plate have been expired for six (6) months or more.
 - b. The vehicle is lacking an engine, transmission, wheels, tires, doors, windshield or any other major part or equipment necessary to operate safely on the highways; and/or
 - c. The vehicle is on jacks or blocks or has one or more flat tires and the vehicle has not been moved within ninety-six (96) hours following issuance of a parking citation.

4. Homeowners who have registered a vehicle as "Planned Non-Operation" with the DMV must place a copy of that registration in plain view on the front dashboard or windshield.
5. Each homeowner is assigned two (2) parking spaces. Only one vehicle or trailer may be parked in a parking space except when written authorization is given by the Board of Directors for a motorcycle. The trailer must fit within one parking space.
6. Vehicles shall be parked only in their assigned parking spaces except when the Board of Directors has been provided a copy of a written agreement between two (2) homeowners that has been signed by both parties.
7. No vehicle of any kind shall be parked in a guest parking space for more than ninety-six (96) hours except with written permission from the Board. Guest parking spaces are those spaces where no carport exists, but the space is clearly marked for visitor parking.
8. Residents shall not park in the guest parking spaces.
9. Homeowners are responsible for their guest/tenant's compliance with all parking rules.
10. Major repairs of vehicles are not allowed in the carports. Minor repairs that may be completed within twenty-four (24) hours are allowed. No petroleum products or solvents shall be spilled or washed onto the common area, and they shall not be dumped into the trash bins. This includes all forms of vehicle engine lubricants, cleaners, etc.
11. Each homeowner shall be responsible for any oil and other fluids spilled in the carports.
12. Carports are for parking vehicles and not for storage of any items (e.g., furniture, carpet, appliances).
13. Vehicles parked in fire lanes or in marked "No Parking" areas, vehicles parked within fifteen (15) feet of a fire hydrant, in front of garbage bins, behind parked cars, or in a manner which blocks a resident's ability to enter or exit a carport are subject to tow at the vehicle owner's expense without prior notice or warning. In addition to, or as an alternative to towing, the Association reserves the right to impose fines for such violations occurring on common area in accordance with the Association's published fine policy.
14. Vehicles parked in violation of any other parking regulation are subject to tow at the vehicle owner's expense at any time after ninety-six (96) hours have elapsed following the issuance of a vehicle citation.

Pool Rules

For everyone's safety and enjoyment, the pool rules must be observed by all homeowners, renters, and guests. The "pool area" includes the swimming pools and surrounding property within the fence, as well as the clubhouse restrooms. Remember that homeowners live very close to the pool, and pool noise is magnified by the water. **There is NO lifeguard on duty. Pool gate must be closed and locked at all times.**

1. Pool safety equipment is for EMERGENCY USE ONLY. Pool ropes are for safety only, not for playing.
2. Infants and toddlers must wear swim diapers.
3. Children under 14 years of age must be accompanied by a resident adult (at least 18 years of age) in the pool area.
4. Persons with skin disorders, communicable diseases, or open wounds are not allowed in the pool.

5. All guests must be accompanied by a resident adult in the pool area. Maximum number of guests per residence is four (4). Residents are responsible for their guests.
6. Damages to pool areas or surrounding facilities, including the restrooms, are the homeowner's responsibility. Homeowners will be assessed the cost for any repairs.
7. Anyone over 7 years of age is not allowed in the wading pool except for supervising adults (at least 18 years of age).
8. NO alcoholic beverages are allowed in pool area or in any other common areas.
9. NO glassware or food allowed in pool area. Only beverages in non-breakable containers are allowed.
10. NO bicycles, skateboards, roller blades, scooter, or other wheeled devices, boogie boards, surfboards, rafts, scuba gear, Frisbees, or balls (other than inflatable beach balls,) are allowed in pool area.
11. NO pushing, running, shoving, roughhousing, abusive/foul language, or excessive splashing allowed in pool area.
12. NO diving is allowed. Jumping is allowed under supervision of an adult.
13. NO pets or animals are allowed in pool area (except service animals).
14. NO loud music.

POOL HOURS

SUNDAY - THURSDAY	9:00 a.m. - 9:00 p.m.
FRIDAY - SATURDAY	9:00 a.m. - 10:00 p.m.
DAY BEFORE LEGAL HOLIDAY	9:00 a.m. - 10:00 p.m.

Architectural Guidelines

1. No exterior addition or alterations to any building nor changes in fences, hedges, walls or other structures may be commenced, erected or maintained until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing by the Association. This includes, but is not limited to, construction, alteration, or replacement of patio covers and fences, front doors, screen/security doors, satellite dishes, solar water heating units, and windows. See Article VII, and Article VIII, Section 8 of the CC&Rs. Owners are responsible for obtaining and displaying all necessary permits from the City of Cypress and all other applicable governmental agencies.
2. Architectural application forms are available from the property manager or online (www.cypresshoa.org). The Board reserves the right to inspect the job to maintain compliance with the submitted plans. Homeowners are responsible for obtaining and displaying necessary city permits.
3. The property owner will be financially responsible for removing or correcting all non-approved improvements or additions, as may be determined by the Association, in addition to all fines imposed for the violation. In the event legal action is necessary to obtain an owner's compliance, the owner will also be responsible for the Association's attorneys' fees and court costs.

4. All improvements on an owner's lot, including mailboxes and porch lights, must be maintained in good condition, and conform to the Association's current building regulations, color, and decor.

Specifications for Front Doors

1. An architectural application must be submitted and approved in writing prior to installation. A manufacturer's brochure and specifications must be submitted with the application.
2. Front doors must be in good repair and well maintained.
3. The exterior of all doors must be painted in white or board-approved colors. No wood-stained doors are permitted.
4. The door may consist of 50% glass. Clear, smoke, or opaque glass is permitted. No colored glass is permitted. Sidelights are only permitted when a two-door entry is being converted into a single-door entry.

Specifications for Screen/Security/Storm Doors

1. An architectural application must be submitted and approved in writing prior to installation. A manufacturer's brochure and specifications must be submitted with the application.
2. Screen doors, security doors and storm doors must be in good repair and well maintained.
3. Screen doors, security doors and storm doors must be white only.
4. If a unit has a faux door or a double door, a screen must be installed on both doors.

Specifications for Replacement of Windows

1. An architectural application must be submitted and approved in writing prior to installation. A manufacturer's brochure and specifications must be submitted with the application.
2. Unit windows must be in good repair and well maintained.
3. Structural changes are permitted only to comply with changes in code. These changes must be noted on the architectural approval application. The homeowner will be liable for any damage caused by such changes.
4. Window frames are to be white aluminum or white vinyl. The window frame is not to exceed 1 and $\frac{1}{2}$ inches in width.
5. Window glass may be one of the following colors: clear or standard 44% gray.
6. The windowpanes can either be single, double or triple pane.
7. The windows may contain grids and have internal blinds.
8. The window must be professionally installed. The homeowner will be liable for 100% of the cost to repair any damages to the structure caused by improper installation.

Specifications for Patio Fences

1. An architectural application with specifications must be submitted and approved in writing prior to installation, whether the patio fence is new or is a replacement. No lattice may be installed without prior written approval.
2. Patio fences and gates must be kept in good repair and well maintained, including termite control.
3. Patio fences must be made of slump stone in board-approved colors or of 3 1/4" to 5 1/4" wide cedar wood or redwood or composite fencing material in cedar or white vinyl. Fencing must be professionally installed. Fence height will be determined at time request is submitted for approval depending on location of unit.

4. Patio gates must be made of wood, composite or vinyl of the same material and design of the wood, composite or vinyl fences specified in #3 above, and same height as the patio fence.
5. Wood or composite patio fences and gates may be sealed with a natural wood or redwood stain or painted white.

Specifications for Patio Covers

1. An architectural application must be submitted and approved in writing prior to installation, whether the patio cover is new or is a replacement. If patio cover is a commercial installation, a manufacturer's brochure and specifications must be submitted with the application.
2. Homeowners are responsible for obtaining and displaying necessary permits from the City of Cypress.
3. Patio covers must be made of aluminum, vinyl or wood with at least 2x6 rafters. Retractable awnings are also permitted.
4. The covering may be either 1 x 2 or 2 x 2, with a minimum two inches apart, or a lattice covering, or a solid cover.
5. Patio cover must be white or conform to the exterior design colors of the complex or it may have a clear wood stain.

Specifications for Satellite Dishes/Antennae

1. An architectural application must be submitted and approved in writing prior to installation.
2. The Federal Communications Commission (FCC) permits the Association to establish preferred locations for television satellite dishes and antennae with a diameter or diagonal measurement of one meter or less (such as PrimeStar, Dish, etc.).
3. Satellite dishes may be installed in the patio area on the roof of the shed using an umbrella stand or cinder block platform. New installations are to use existing wiring or existing wiring is to be removed. (Contact property manager for instructions or go to www.cypresshoa.org.) Dishes are not permitted to be attached directly to the roof membrane because that type of installation voids the roof warranty.
4. The owner must maintain the dish or antenna, repair any damage to the common area or other Association-maintained property, and hold the Association harmless from any claims related to the installation.
5. Installation of any type of dish or antenna on a common area without prior approval from the Association, or in a manner otherwise in violation of the FCC rule, may incur the removal of the dish at the owner's expense pursuant to the CC&Rs, in addition to costs to relocate or remove the dish or antenna, and the cost of repairing the common area or roof.

Specifications for Solar Panels

1. An architectural application must be submitted in writing and must include the following:
 - a) Vendor of the solar unit, their installing contractor's name, address, proof of California Contractor's license number, liability, and workers' compensation insurance. Installation must include a warranty against roof leaks and structural damage.

- b) A set of mechanical - CAD drawings of the actual (not typical) plans for the proposed solar device installation on the specific homeowner's property. The drawing shall include front, side and back views, illustrating all dimensions of the equipment, the location of all components required to complete the installation with their individual weights, and separate detailed drawings of the mounting methods and materials; and
 - c) An electrical schematic drawing showing all electrical cables, emergency disconnect devices, warning labels and a list of the equipment brand, model and warranty used in the installation.
2. Solar panels must be installed on the homeowner's roof only. They must be racked and extend no more than 48 inches above the roof level and within 36 inches on all sides (18 inches from an adjacent homeowner's roof).
 3. The homeowner and the selected solar company will consult with the Cypress Homeowners Association roofing vendor prior to installation and shall comply with recommendations for maintaining the validity of the roof warranty.
 4. The homeowner will be responsible to maintain the unit and the area beneath and around the solar system. The homeowner will be responsible for removing and reinstalling the solar unit when the Association deems re-roofing of the building to be necessary.
 5. The homeowner assumes all responsibility for the roof under their solar unit and will indemnify the association for any damage present or future caused by the installed solar system, including cost of repairs or damage to property, including but not limited to legal fees and permits, change in value for any damage to adjacent units caused by the installation, periodic maintenance, use of the solar system and any removal.
 6. The current homeowner of record of the subject property at the time of installation must execute an Agreement Containing Covenants Affecting Real Property Regarding the Installation of a Solar Energy System in a form to be provided, which document will be recorded at homeowner's expense for the County of Orange, California, and thereby bind them, as the current homeowner and all future homeowners, to the terms and conditions of these rules and approval as set forth in said Agreement.

Specifications for Gutters and downspouts

1. An architectural application must be submitted and approved in writing prior to installation.
2. All gutters, downspouts and supporting hardware are to be made of metal painted white or board-approved colors and may not extend on to the common area (such as the carport roof).

Signs

No owner or resident shall erect, post or display any sign in the common area, except those signs allowed by the Governing Documents or applicable law, unless otherwise approved in writing by the Association. Signs advertising the sale, exchange or lease of a unit shall conform to state law and/or Governing Documents.

1. One (1) real estate sign or rental sign may be placed on that portion of the common area adjacent to the unit for sale or rent or on that portion of the common area most visible from the street. 'For Sale' and 'For Rent' signs may not exceed 18 inches by 24 inches. 'For Sale' signs must be removed after the property is sold. Display of 'Sold' sign is allowed for not more than seven (7) days. 'Sold' signs remaining in the property after seven (7) days will be removed by the Board. Signs placed in violation of the above shall be removed by the management company/property manager and/or members of the Board of Directors and turned over to the management company.

2. A noncommercial sign, poster, flag or banner may be posted or displayed on an owner's lot, provided that the sign, poster, flag, or banner is made of paper, cardboard, cloth, plastic, or fabric, and is posted or displayed from the owner's private yard, window, door, balcony, or outside wall of the separate interest, but may not be made of lights, roofing, siding, paving materials, flora, or balloons, or any other similar building, landscaping, or decorative component, or include the painting of architectural surfaces. Noncommercial signs and posters that are more than nine (9) square feet in size and noncommercial flags or banners more than fifteen (15) square feet in size are prohibited. Civil Code 4710. Posting or displaying noncommercial signs, posters, flags or banners. Noncommercial signs, posters, flags and banners are not permitted in the Common Area unless approved in writing by the Association.
3. Display of the flag of the United States is permitted on an owner's lot per Civil Code 4705. The flag of the United States must be made of fabric, cloth or paper displayed from a staff or pole or in a window and does not mean a depiction or emblem of the flag of the United States made of lights, paint, roofing, siding, paving materials, flora, or balloons, or any other similar building, landscaping, or decorative component.
4. U.S flags and noncommercial signs, banners, posters, etc., displayed from the exterior of an owner's home as authorized above shall be displayed from flag holders that have been mounted to wood trim (not stucco) and caulked so as to prevent water intrusion into the building, as opposed to just nailed or screwed directly into the wall.

CYPRESS HOME OWNERS ASSOCIATION

Solar Energy Systems

Rules and Regulations

The following Solar Energy Systems Rules and Regulations (“Rules”) replace any prior Association rules, regulations, policies or guidelines relating to the installation of solar energy systems on the buildings within the Cypress Home Owners Association planned development. These Rules are intended to carry out, and comply with, California *Civil Code* sections 714, 714.1, and 4746. Upon amendment of any of these *Civil Code* sections, these Rules shall be deemed to be amended accordingly, without the necessity of Board action.

1. Association Approval Requirements Generally. Before an Owner may install a Solar Energy System (“SES”) as defined below, the Owner must obtain prior written approval from the Association and comply with all of the requirements and procedures set forth below, including the execution of the recordable covenant discussed below in Paragraph No. 8.
2. Solar Energy System-Defined. For purposes of this Solar Energy Rule, a “Solar Energy System” (“SES”) means either of the following:
 - (a) Any solar collector or other solar energy device whose primary purpose is to provide for the collection, storage, and distribution of solar energy for space heating, space cooling, electric generation, or water heating.
 - (b) A structural design feature of a building with a primary purpose to provide for the collection, storage, and distribution of solar energy for electricity generation, space heating or cooling or for water heating. *See California Civil Code* section 801.5(a).
3. Plans and Specifications. The plans and specifications for the SES must include, at a minimum, the following:
 - (a) Details on all components of the actual (not typical) SES system, proposed locations of all components, and description of how the components will be installed and particularly in relation to existing roof components.
 - (b) Drawings/plans/renderings/elevations prepared to scale illustrating the actual (not typical) SES components (including, without limitation, materials, shape, dimensions, color, etc.) and locations where the components will be installed.
 - (c) Any other information the Association may require to enable it to determine whether the proposed SES meets the requirements of the *Civil Code* and these Rules.
4. System Requirements. An Owner seeking to install an SES must provide, concurrently with submission of the architectural application, proof of compliance with the following standards:
 - (a) The SES shall meet applicable health and safety standards and requirements imposed by state and local permitting authorities. The approval of an SES by the Association does not waive the

necessity of obtaining the required governmental permits. Obtaining a governmental permit also does not waive the need for prior written Association Approval.

(b) An SES for heating water shall be certified by the Solar Rating Certification Corporation (SRCC) or other nationally recognized certification agencies. SRCC is a non-profit third party supported by the United States Department of Energy. The Certification shall be for the entire Solar Energy System and installation.

(c) An SES for producing electricity shall also meet all applicable safety and performance standards established by the National Electrical Code, the Institute of Electrical and Electronics Engineers, and accredited testing laboratories such as Underwriters Laboratories and, where applicable, rules of the Public Utilities Commission regarding safety and reliability. *See California Civil Code* section 714(c).

5. Material Standards. The SES must comply with the material standards and specifications set forth below:

(a) Solar panels installed on a roof shall, to the extent feasible, be integrated into the roof design, flush with the existing roof slope, and frames must be colored to match or complement the roof.

(b) Natural aluminum frames are not permitted.

(c) All efforts should be made to locate the solar panels so that they are screened from view from the street and neighboring properties.

(d) Supports for solar equipment shall be enclosed and screened from view.

(e) All mechanical equipment exposed to the exterior shall be located in a manner which minimizes visual impact and shall be painted to match the color of the adjacent surface.

(f) Wiring shall be housed in conduit painted to match the adjacent surface.

(g) The panels must be racked and extend no more than 48 inches above the roof level and within 36 inches on all sides (18 inches from the portion of the roof located over an adjacent owner's home).

6. Solar Site Survey. Owners must submit a solar site survey showing the placement of the proposed SES prepared by a licensed contractor or the contractor's registered salesperson knowledgeable in the installation of solar energy systems to determine usable solar roof area of the roof of the building within which the Owner's home is located. This survey or the costs to determine useable space shall not be deemed as part of the cost of the SES as used in *Civil Code* Section 714. The solar site survey shall also include a determination of an equitable allocation of the usable solar roof area among the applicant and all other Owners of homes in the same building. The Association reserves the right to require all components of an SES to be installed solely over the applicant's residence and not over any adjoining residence.

7. Neighbor Notification. Owners shall notify each Owner of a home in the building on which the installation will be located of the application to install a SES.

8. Recordable Covenant. The Owner must enter into a Covenant agreement, in a form acceptable to the Association, and prepared by the Association, generally providing for, without limitation, the following:
- (a) The Owner's obligation to maintain, repair, and replace the SES, and if the Owner fails to do so, the Association's right, but not obligation, to perform such maintenance, repair, and replacement and charge the cost thereof to the Owner, or to remove the SES from the roof at the Owner's cost.
 - (b) The Owner's obligation to remove the SES, at the Owner's cost, upon the Association's request when reasonably necessary to facilitate the Association performing its maintenance, repair, and replacement responsibilities, and the Owner's obligation to reinstall the SES at Owner's expense pursuant to the terms and conditions of the Rules.
 - (c) The Owner's responsibility for damages or other liability arising from installation, maintenance, use, repair, or replacement of the SES, including, without limitation, any damages to the applicant's home, any other home, any Common Area component, or any other component the Association is obligated to maintain, repair, or replace, arising from any roof leak or other occurrence arising from the SES.
 - (d) The Owner's obligation to indemnify, defend, and hold harmless the Association, its directors, officers, agents, and Association members in connection with any claims or damages arising from installation, use, maintenance, repair, or replacement of the SES.
 - (e) That the Owner shall maintain insurance, with minimum coverage limits required by the Association, providing coverage for liability arising from the SES, and naming the Association, its directors, officers, and managing agents as additional insureds thereunder (if reasonably available).

The Covenant shall be recorded in the Orange County Recorder's Office against the Owner's home and shall bind subsequent Owners of the home. The Owner is responsible for all attorney, notary and recording fees and costs associated with the preparation and recording of the Covenant. The Owner shall further disclose the existence of the SES, and the responsibilities under the Covenant, to prospective buyers of Owner's home.

9. Indemnification by Installer and Obligations Regarding Leased SES. The Association also may require the installer of the SES to enter into an agreement with the Association (in a form acceptable to the Association) agreeing to indemnify and reimburse the Association or its members for loss or damage arising from the installation, maintenance, or use of the SES, and also agreeing to name the Association and its managing agent as additional insureds under the installer's insurance policies, with minimum coverage limits acceptable to the Association, in connection with the installer's installation of the SES.

10. Leased SES System. In addition to all other obligations under these Rules, if the Owner proposes to install a leased SES, the Association may require the lessor of the SES to enter into an agreement in a form acceptable to the Association addressing, without limitation, the following

- (a) The lessor's obligation to maintain, repair, and replace the SES, and if the lessor fails to do so, the Association's right, but not obligation, to perform such maintenance, repair, and replacement and charge the cost thereof to the lessor, or to remove the SES from the roof.

(b) Upon the Association's request when reasonably necessary to facilitate the Association performing its maintenance, repair, and replacement responsibilities respecting the Common Area, (i) the lessor's obligation to remove the SES, at no cost to the Association, and the lessor's obligation to reinstall the SES, at no cost to the Association, pursuant to the terms and conditions of these Rules, after the Association completes such maintenance, repair, or replacement work, and (ii) if the lessor fails to remove the SES per such request, the Association's right to cause removal of the SES in order to perform such maintenance, repair, and replacement and charge the cost thereof to the Owner and the lessor, jointly and severally.

11. Inspection. The area where the SES is proposed to be installed may be inspected by the Association and/or its vendors before and after the installation for the purpose of determining whether any Association maintained property has been damaged in the course of installation of the SES. Also, the Association may require, at the Owner's expense, periodic inspections of the roof (e.g., once every 3 years or otherwise as recommended by a roofing consultant) and any SES penetrations to ensure the roofing system continues to perform as intended and to avoid any detrimental impact from the SES.

12. No Requirement to Trim, Thin, Top, Prune or Remove Association Trees. The Association is not obligated, and shall not be required to, trim, thin, top, prune or remove Association trees in connection with the installation, use, maintenance, repair or replacement of an SES. The Association may, however, agree to cause Association trees to be trimmed, thinned, topped, pruned or removed at an Owner's expense if requested by an Owner. No Owner or resident, or any person or entity retained by an Owner or resident, shall trim, thin, top, prune or remove Association trees in connection with the installation, use, maintenance, repair or replacement of an SES.

13. Alternative Systems. The Association reserves the right to require the installation of a different or modified SES of comparable cost, efficiency and energy conservation benefits as the Owner's proposed SES, in accordance with Civil Code Section 714.

14. Professional Installation and Warranty. The SES shall be installed by a licensed contractor qualified in the installation and maintenance of solar energy systems. The installation must include a warranty against roof leaks and structural damage arising out of or resulting from the installation of the SES. The Owner and the Owner's installer shall consult with the Association's roofing vendor prior to installation and shall comply with all recommendations of the Association's roofing vendor to keep the Association's roof warranty in effect.

15. Unauthorized Installations. Any Owner who installs or seeks to install an SES without the prior written permission and approval of the Association shall be responsible for all costs incurred to remove, relocate, or modify the SES, and restore the affected areas, including attorneys' fees and court costs, in addition to all other remedies available to the Association at law or in equity.

**Cypress Home Owners Association (CHOA)
Home Improvement – Architectural Application**

The Declaration of Covenants, Conditions and Restrictions (CC&Rs) for our community require you obtain the approval of the Architectural Committee before commencing any improvements or alterations to your home or lot. To obtain this approval, please complete this form, and mail or deliver along with the required copies of plans and other related material to:

**Cypress Home Owners Association
c/o La Perla Property Management
25201 Paseo De Alicia, Ste 210
Laguna Hills, CA 92653**

Homeowner's Name _____ Phone _____

Address where work is to be performed _____

Email _____

Follow these steps:

- 1) Read Article VII; Article VIII, Section 8; and Article IX in the CC&Rs
- 2) Read Architectural Regulations in general Rules and Regulations for CHOA
- 3) Enclose drawings and detailed plans/specifications as detailed on the Architectural Submission Checklist

Description and nature of work to be performed _____

**** IMPORTANT - READ CAREFULLY ****

Any compliance with local government ordinances, building codes, and the CC&Rs and Rules & Regulations of CHOA regarding architectural/structural changes and additions is strictly between the homeowner and these regulating bodies. Approval of this request does not imply the Association's acceptance based upon the above-mentioned regulations. It is your responsibility to contact these regulating bodies as required. If further architectural and/or design changes are to take place that are not part of this application, applicant must submit a new application for the proposed improvements.

Your request will be reviewed by the Architectural Committee and will be given a decision within forty-five (45) days from receiving a completed application including all plans and specifications as outlined above.

The undersigned Owner acknowledges and agrees that:

- 1) I have received, read, and understand the Architectural Rules and regulations and agree that the provisions of the same are made a part of this application, including all homeowner obligations and liabilities therein. I also acknowledge that architectural approval is not intended to be, nor shall it be considered, a substitute for obtaining required local governmental permits, inspections and approvals. I acknowledge that local governmental permits and inspections may be required and that it is my responsibility to obtain all such permits and inspections at my sole expense.
- 2) No work on the proposed improvements shall commence until I have received written approval of my final improvement plans from the Architectural Committee and have satisfied any and all conditions of such approval.
- 3) My failure to obtain the required Architectural Committee approval of any improvements or to comply with all applicable architectural standards will constitute a violation of the CC&Rs, and I may be required to modify or remove such improvements at my sole expense.

Homeowner Signature _____ Date _____

Association Use Only

Approved _____ Disapproved _____ Comments _____

Architectural Committee Signature _____ Date _____

**Cypress Home Owners Association
Architectural Submission Checklist**

In order for your architectural application to be complete, you must attach the items listed below to your application for review by the Architectural Committee.

Plans & Specifications

- Two (2) sets of plans and specifications
- Proper scale used on plans 1/8" = 1' 0" or 1/4" = 1' 0"

Structural changes/additions (e.g., front doors, windows, patio covers, fences, solar panels)

- Dimensions (height, width and length) shown on plans
- Color and materials to be used
- Elevation view of structure

Hardscape (e.g., patio stones / pavers, walkways)

- Dimensions shown on plans
- Grades shown for all hardscape (flow direction and slope)
- Elevation shown for all hardscape (patio slab) in relationship to stucco screed
- Color and material to be used for finished surfaces (photo or sample attached)

Landscape

- Plant material species specified
- Plant material sizes specified
- Plant material located on plans
- Dimensions for lot boundaries
- Dimensions of all planter areas
- Dimensions showing location of trees
- Grades shown for landscape areas (flow direction and slope)
- Existing and proposed drainage systems specified

Raised Planters

- Drainage shown / specified
- Waterproofing specified
- Material and finish specified (photo or sample attached)

Homeowners Name _____ Date _____

Phone Number _____ Email _____

Address where work is to be performed _____

Submission forwarded to Architectural Committee Date _____

Submission insufficient, returned to homeowner Date _____

Please return this form to customerservice@laperlapm.org

**CYPRESS HOME OWNERS ASSOCIATION
VIOLATION AND FINE POLICY**

Approved Date: July 26, 2012

Re-distributed: November 15, 2022

GENERAL RULES AND REGULATIONS Violations of Nos. 1 – 20:

1. Violation notice.
2. Hearing before the Board of Directors.
3. \$100 fine levied against homeowner.
4. If violation persists, the homeowner will be fined an additional \$100 every 30 days that the violation continues.
5. If violation is not corrected or if fine levied reaches \$500, a lawsuit will be filed against the homeowner.

Violations of No. 21 – 22:

1. Violation notice.
2. Hearing before the Board of Directors.
3. Homeowner will be assessed the cost of repair or replacement of damaged property.
4. If the homeowner refuses to pay costs, legal action will be taken against the homeowner.

ANIMAL/PET RULES Violations of Nos. 1 – 4:

1. Violation notice.
2. Hearing before the Board of Directors.
3. \$100 fine levied against homeowner.
4. If violation persists, the homeowner will be fined an additional \$100 every 30 days that the violation continues.
5. If violation is not corrected or if fine levied reaches \$500, a lawsuit will be filed against the homeowner.

Violations of Nos. 5 –7:

1. Violation notice.
2. Orange County Animal Control Services will be contacted.

ARCHITECTURAL GUIDELINES: Front Doors, Screen/Security Doors, Window Replacement, Patio Covers and Fences Any Violation:

1. Violation notice.
2. Hearing before the Board of Directors.
3. \$100 fine levied against homeowner.
4. If violation persists, the homeowner will be fined an additional \$100 every 30 days that the violation continues.
5. If violation is not corrected or if fine levied reaches \$500, a lawsuit will be filed against the homeowner.

SOLAR PANELS and SATELLITE DISH/ANTENNA RULES Violations of Nos. 1-5:

1. Violation notice.
2. Hearing before the Board of Directors.
3. \$100 fine levied against homeowner.
4. If violation persists, the homeowner will be fined an additional \$100 every 30 days that the violation continues.
5. If violation is not corrected or if fine levied reaches \$500, a lawsuit will be filed

against the homeowner.

CLUBHOUSE RULES Violations of Nos. 1 – 5:

When violations are deemed excessive by the Clubhouse Manager, Property Manager, or a member of the Board of Directors, Cypress Police Department may be called, and/or the party may be halted at time of violation.

Violations of Nos. 1 – 12

1. Violation warning.

2. Hearing before Board of Directors. Homeowner/Rentor subject to \$100 fine.

3. If a violation is deemed excessive by the Clubhouse Manager, Property Management, or a member of the Board of Directors, the \$100 deposit will not be returned and the right to use the clubhouse will be denied for a period of 6 months.

4. If a fine has been levied and is not paid, the homeowner will be fined an additional \$100 every 30 days that the fine remains unpaid.

LANDSCAPING RULES Violations of Nos. 1 – 8:

1. Violation notice.

2. Hearing before the Board of Directors.

3. \$100 fine levied against homeowner.

4. If violation persists, the homeowner will be fined an additional \$100 every 30 days that the violation continues.

5. If violation is not corrected or if fine levied reaches \$500, a lawsuit will be filed against the homeowner.

PARKING RULES Violations of Nos. 1 – 3, 12 -14:

The Cypress Police Department will be called to take appropriate action or the vehicle will be towed at owner's expense.

Violations of Nos. 4 – 11:

1. Violation notice.

2. Hearing before the Board of Directors.

3. \$100 fine levied against homeowner.

4. If violation persists, the homeowner will be fined an additional \$100 every 30 days that the violation continues.

5. If violation is not corrected or if fine levied reaches \$500, a lawsuit will be filed against the homeowner.

POOL RULES Violations of Nos. 1 – 14:

If violation is deemed excessive by property management or a member of the Board of Directors, the person(s) in violation may be asked to leave the pool area.

1. Violation notice.

2. Hearing before the Board of Directors.

3. \$100 fine levied against homeowner.

4. If violation persists, the homeowner will be fined an additional \$100 every 30 days that the violation continues.

5. If violation is not corrected or if fine levied reaches \$500, a lawsuit will be filed against the homeowner.

2022 – 2023 Insurance Disclosure Statement

(As required by California Civil Code Section 5300)

CYPRESS HOA

The California Civil Code Section 5300 requires that the Association send insurance disclosure statement to each of its members. Accordingly, we are providing you the following information in compliance with the Civil Code.

The following is a summary of the association's insurance coverage for policy period 2022 – 2023:

Coverage for Items 1, 2, 3, 4, 5, 6, 7 & 8 below are provided by: Prendiville Insurance Agency
Phone: (949) 487-9696 / fax: (949) 487-9626

1. Property Insurance: Policy # 60360-03-93

(A)	Insurance carrier:	<u>Farmers Insurance Exchange</u>
(B)	The type of insurance:	<u>Property</u>
(C)	The policy limits of the insurance:	<u>\$54,608,831</u>
(D)	The amount of deductible, if any:	<u>\$10,000</u>
(E)	The policy term is:	<u>07/12/2022 – 07/12/2023</u>

2. Liability Insurance: Policy # 60360-03-93

(A)	Insurance carrier:	<u>Farmers Insurance Exchange</u>
(B)	The type of insurance:	<u>Commercial General Liability</u>
(C)	The policy limits of the insurance:	<u>\$2,000,000 Per Occurrence</u> <u>\$4,000,000 Annual Aggregate</u>
(D)	The amount of deductible, if any:	<u>N/A</u>
(E)	The policy term is:	<u>07/12/2022 – 07/12/2023</u>

3. Earthquake Insurance: Policy # DSP2201280 / VS592200301 / SSE88569-02

(A)	Insurance carrier:	<u>Homesite Insurance Company / QBE Specialty</u>
(B)	The type of insurance:	<u>Earthquake Coverage</u>
(C)	The policy limits of the insurance:	<u>\$23,000,000</u>
(D)	The amount of deductible, if any:	<u>20% Total Values at Risk at Time of Loss Per Unit of Insurance</u>
(E)	The policy term is:	<u>07/12/2022 – 07/12/2023</u>

4. Flood Insurance: Policy # DSP2201280 / VS592200301 / SSE88569-02

(A)	Insurance carrier:	<u>Homesite Insurance Company / QBE Specialty</u>
(B)	The type of insurance:	<u>Flood Coverage</u>
(C)	The policy limits of the insurance:	<u>\$23,000,000</u>
(D)	The amount of deductible, if any:	<u>\$100,000</u>
(E)	The policy term is:	<u>07/12/2022 – 07/12/2023</u>

5. Fidelity Insurance (Fidelity Bond/Employee Dishonesty) Coverage: Policy # 60360-03-93 / PENDING

- (A) Insurance carrier: Farmers Insurance Exchange/Hartford Fire Ins.
- (B) The type of insurance: Crime
- (C) The policy limits of the insurance: \$2,220,000
- (D) The amount of deductible, if any: \$500
- (E) The policy term is: 07/12/2022 – 07/12/2023

6. Directors & Officers Liability Insurance Coverage: Policy # 60360-03-93

- (A) Insurance carrier: Farmers Insurance Exchange
- (B) The type of insurance: D&O Liability
- (C) The policy limits of the insurance: \$1,000,000 Per Occurrence
\$1,000,000 Annual Aggregate
- (D) The amount of deductible, if any: \$1,000
- (E) The policy term is: 07/12/2022 – 07/12/2023

7. Umbrella Liability Insurance Coverage: Policy # 60360-03-94

- (A) Insurance carrier: Truck Insurance Exchange
- (B) The type of insurance: Umbrella Liability
- (C) The policy limits of the insurance: \$1,000,000 Per Occurrence
\$1,000,000 Annual Aggregate
- (D) The amount of deductible, if any: \$10,000 Retention
- (E) The policy term is: 07/12/2022 – 07/12/2023

8. Workers' Compensation Insurance Coverage: Policy # A0931-41-46

- (A) Insurance carrier: Farmers Insurance Exchange
- (B) The type of insurance: Workers' Compensation Insurance
- (C) The policy limits of the insurance: \$1,000,000
- (D) The amount of deductible, if any: N/A
- (E) The policy term is: 07/12/2022 – 07/12/2023

This summary of the Association's policies of insurance provides only certain information, as required by subdivision (b)(9) of Section 5300 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.