

# Arnold Lilac Park Homeowners Association

PO Box 722 Arnold CA 95223

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TO: Arnold Lilac Park Homeowners Association  
FROM: Board of Directors  
DATE: October 3,2020  
RE: 2021 Pro-Forma Operating Budget

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The enclosed 2021 Pro-Forma Operating Budget has been approved by the board of directors at its October 2020 meeting. The 2021 regular yearly assessment amount is \$200.00 for improved lots, and \$200.00 for unimproved lots.

Per California Civil Code, the following disclosures are made:

- 1) 1365(a)(3): The Board does not anticipate that a special assessment will be required during the 2021 calendar year to repair, replace or restore any major component or to provide adequate reserves therefore
- 2) The Association is NOT involved in any litigation at this time.
- 3) 1363.05(d): Minutes – Copies of draft/approved meetings minutes are available to homeowners, upon request, within 30 days of the meeting date and are subject to processing costs.  
Draft/approved minutes and newsletters are also able on our website, free of cost:  
[www.arnoldlilacparkhoa.org](http://www.arnoldlilacparkhoa.org)
- 4) Meetings – Board of Director’s meetings are held on the first Saturday of each month, except January, at 10:00 AM. During the winter months (Feb, March, April, October, November, December, the meetings are held at a board members home. During May, June, July, August, September, they are held at the Lilac Park Pool). Members are encouraged to attend and may participate in the open forum session. Owners may also contact the Association, prior to the meeting, to have their issues placed on the regular agenda.

If you have questions, you may contact us in three ways:

1. US MAIL: Arnold Lilac Park Homeowners Association, PO Box 722, Arnold CA 95223
2. Phone voice mail: 209-795-3807
3. Email: [info@arnoldlilacparkhoa.org](mailto:info@arnoldlilacparkhoa.org)

Please review the enclosed material and keep it with your important documents. In the event that you sell your home or lot, you will have to provide this information to prospective buyers.

Thank you

Cc: Pro-Forma Operating Budget 1365(a)  
Assessment Collection Policy 1365(d)  
Assessment and Foreclosure Disclosure 1365.1  
Notice of Lien; Priority of Payments; Payment Under Protest, Monetary Penalties Disclosure Civil code 1367.1  
Reserve Study Disclosures 1365.2.5  
Rules of Conduct /Amendments  
Association enforcement Policy with Fine Schedule 1365(d) 1367.1(a)  
Summary of Insurance Coverage 1365 (e)  
Alternative Dispute Resolution Summary 1369.510-1369.590  
Architectural Procedures & other important reminders Section 12956.1

ALPHA 2021 Approved Pro-Form Operating Budget (1365a)

January 1, 2021 – December 31, 2021

**Income**

Lot Fees	40,600
Short-term CD	60
Guest fees	35
Snack bar	500
Transfer fees	unpredictable
Late fees	unpredictable
<b>TOTAL INCOME</b>	<b>\$41,195</b>

**Expenses**

Meetings & Events	650
Telecommunications	1,284
PG & E	2,400
Lot Clean Up	2,000
Snack Bar	400
CCWD	1,300
Postage /Mailings	350
Office Supplies	500
Pool Attendants Wages/Taxes	10,500
Pool Manager	4,200 Includes SEI solid waste fees
Insurance	4,000
Payroll Service	200
Workers Comp	1,100
Accounting fees	2,045
Repairs and Maintenance	5,000
Licenses/Permits /fees	425
Property tax	412
Printing/Pro-Forma budget	200
<b>TOTAL EXPENSES</b>	<b>\$36,966</b>

Add to Reserve \$4000 plus checking account balance on 12/31/2021

Checking Account: (as of October 3,2020) \$ 8,081.75

Saving's Account: (as of October 3, 2020) \$21,923.16

## Assessments (1365d, 1365.1, 1367.1)

### Section 1. Assessments Generally.

- (a) Each owner of a lot by acceptance of a deed (whether or not it appears on the deed) agrees to pay to the Association the regular assessment, special assessment and special individual assessment as billed by the Association.
- (b) Each owner acquiring title to a lot shall be personally liable only for assessments attributable after the date of acquiring the title. Any unpaid assessment prior to such date shall remain against the previous owner, except a lien not cleared by such acquiring of title will remain in effect subject to foreclosure.
- (c) No owner may exempt his/her lot from any and all assessments by waiving his/her right to use the Common Area, or by abandonment or non-use of his/her property.

### Section 2. Regular Assessments.

- (a) Preparation of Annual Budget: Establishment of Regular Assessments. Not less than 30 days prior to the beginning of the Association's fiscal year, the Board shall set up a budget for the following fiscal year. This budget shall include reserve funds for any foreseeable repair or addition to the Common Area and Facilities. The prepared budget shall be distributed to all members not later than the day of the Annual Meeting.
- (b) Establishment of Regular Assessment by Board/Membership Approval Requirements. The total amount of the estimated budget (less any income not generated by sale of property) shall be divided equally among all lot owners. Unimproved lots shall have an assessment of not less than 60% and not more than 75% of improved lots. If the Board fails to make an estimate, the prior year's assessment amount will prevail.
- (c) Membership Approval. The Board of Directors cannot raise regular assessments more than 20 % from the previous year. Any assessment increase more than 20% must be approved by the majority of members in a written ballot to comply with Section 1366 of the California Civil Code.
- (d) Assessments to Address Emergency Situations. The requirement of a membership vote for regular assessment increases in excess of 20 % of the previous year's regular assessment shall not apply to assessment increases necessary to address emergency situations. For purposes of this subparagraph (d), an emergency if any of the following:
  - i. An extraordinary expense required by an order of a court.
  - ii. An extraordinary expense necessary to repair or maintain the Common Areas or Common Facilities where a threat to personal safety is discovered.
  - iii. An extraordinary expense necessary to repair or maintain the Common Areas or Common Facilities that could not have been reasonably foreseen by the Board in preparing and distributing the budget pursuant to subparagraph (a) above; provided, however, that prior to the imposition of collection of an assessment under this paragraph (iii), the Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process, and the resolution shall be distributed to the members with the notice of assessment.

Section 5. Purpose and Reasonableness of Assessment. Each regular, special or special individual assessment made in accordance with the provisions of this declaration, is hereby declared and agreed to be: (a) for use exclusively to promote the recreation, health, safety and welfare of the resident of the properties; (b) for the enjoyment and use of the properties by the owners and their families, tenants invitees, guests and employees; (c) for the repair, maintenance, replacement and protection of the Common Area and Common Facilities; (d) a reasonable assessment; and (e) to constitute a separate, distinct and personal obligation (with respect to which a separate lien may be created) of the owner of the lot against which the assessment is made which shall be binding or his/her heirs, successors and assigns; provided that the personal obligation for delinquent assessments shall not pass to the owner's successors in title unless expressly assumed by them.

### Section 7. Collection of Assessments; Legal Procedures

- (a) Delinquent Assessments: Accrual of Interest. If any installment payment of a regular assessment of lump sum or installment payment of any special assessment assessed to any owner is not paid by the last day of the quarter, such payment shall be delinquent and the amount thereof shall bear interest at prime rate plus 2% until the same is paid. In addition to the accrual of interest, the Board of Directors is authorized to promulgate a schedule of reasonable late payment charges for any delinquent assessments, subject to the limitations set forth in California Civil Code section 1366(c) or comparable superseding statute.
- (b) Collection of Assessments: Legal Procedures. Remedies available to the Association to collect delinquent assessments and interest: the Association shall have the right to effect collection of any delinquent assessments, penalties and interests of over 6 months by assigning it to any outside collection agency, and/or placing a lien on the delinquent lot.
- (c) Creation and Imposition of a Lien for Delinquent Assessments. The amount of any delinquent regular or special assessment, together with any penalties, interest and costs (including reasonable attorney's fees) attributable thereto or incurred in the collection thereof, shall become a lien upon the lot of the owner so assessed only when the Association causes to be recorded in the Office of the County Recorder of Calaveras, State of California, a Notice of Delinquent Assessment executed by an authorized representative of the Association, setting forth: (a) the legal description for such lot, (b) the owner of record or reputed owner thereof, (c) the amount claimed, (d) the name and address of the Association, and (e) the name and address of the trustee authorized by the Association to enforce the lien by sale.
- (d) Foreclosing a Lien. The Association may bring legal action against the owner personally obligated to pay the delinquent assessment, foreclose its lien against the owner's lot, or accept a deed in lieu of foreclosure. Foreclosure by the Association of its lien may be by judicial foreclosure or by non-judicial foreclosure pursuant to a power of sale, in the same manner as the foreclosure of a mortgage or deed of trust upon real property under the laws of the State of California.

Section 8. Transfer of Lot by Sale or Foreclosure. The Association, acting on behalf of the owners, shall have the power to bid for the lot at a foreclosure sale, and to acquire and hold, lease, mortgage and convey the lot.

(iii) Non-judicial Foreclosure.

- (a) The Association shall have the right conferred by section 2934A of the California Civil Code to assign its rights and obligations as trustee in any non-judicial foreclosure proceeding to the same extent as a trustee designated under a deed of trust and for purposes of said section 2934A, the Association shall be deemed to be the sole beneficiary of the delinquent assessment obligation. Furthermore, in lieu of any assignment of trusteeship, the Association shall be entitled to employ the services of a title insurance company or other responsible company authorized to serve as a trustee in non-judicial foreclosure proceedings to act as an agent on behalf of the Association in commencing and prosecuting any nonjudicial foreclosure hereunder.
- (b) Non-judicial foreclosure shall be commenced by the Association or its assignee by recording in the Office of the County Recorder a Notice of Default, which notice shall state all amounts which have become delinquent with respect to the owner's lot and the costs (including collection and attorneys' fees), penalties and interest that have accrued thereon, the amount of any assessment which is due and payable although not delinquent, a legal description of the lot in respect to which the delinquent assessment is owned, and the name of the owner of record or reputed owner thereof. The Notice of Default shall state the election of the association or its assignee to sell the parcel or other property to which the amounts relate and shall otherwise conform with the requirements for a notice of default under section 2924c of the California Civil Code or superseding statute.

(iv) Actions for Money Judgments. In the event of default in payment of assessments, the Association may initiate, in addition to any other remedy provided herein or by law, legal action to recover a money judgment for unpaid assessments, costs, rent and attorney's fees without foreclosure or waiving the lien securing the same.

Reminder of changes to billing/collection of Annual Assessments, starting 2021:

- A homeowner will have from January 1 to April 30 of the new year to make full payment.
- If we have to re-bill a homeowner after April 30, a 10% penalty will be assessed, as prescribed by the Davis Stirling Act. If further billings are required, an additional 1% interest rate will be added on each month.
- After April 30, a homeowner will be considered past due and referred to a collection agency.

- Once an account is referred to the collection agency, the homeowner loses the ability to work with the homeowner's association directly.
- A homeowner needing to make installment payments must contact the Treasurer to set up a payment schedule.
  - Call: 209-795-3807
  - E-mail: [questions@Arnoldlilacparkhoa.org](mailto:questions@Arnoldlilacparkhoa.org)
  - Mail: ALPHA PO Box 722, Arnold CA 95223.

Calendar of late fees and interest based on an improved lot: \$200.00 Assessment		
Months	Late Fees/interest	Dues
January 1 – April 30	0	\$200.00
May	\$20.00+ 1% = \$22.20	\$222.20
June	1% = \$2.22	\$224.42
July	1% = \$2.24	\$226.66
August	1% = \$2.27	\$228.93

Calendar of late fees and interest based on an unimproved lot: \$200.00 Assessment		
Months	Late Fees/interest	Dues
January 1 – April 30	0	\$200.00
May	\$20.00 + 1%=22.20	\$222.20
June	1% = \$2.22	\$224.42
July	1% = \$2.24	\$226.66
August	1% = \$2.27	\$228.93

In April of the following year, past due accounts will be turned over to a collection agency. Checks returned for insufficient funds, will result in a \$35.00 fee to the homeowner.

ALPHA 2021 Reserve Study Estimate (1365.2.5)\*

Major Areas Buildings	Repair Cost	Life in Yrs.	Life Remaining	Required Reserves
*Pump House Roof	\$1,500	6	5	\$250
Kitchen Roof	\$1,500	10	5	\$750
Structural (non-fire)	\$12,000	20	15	\$3,000
*****Electrical	\$1,500	15	12	\$300
Plumbing/Appliances	\$2,500	15	7	\$1,334
Miscellaneous	\$1,500	20	7	\$600
<b>TOTAL BUILDING:</b>	<b>\$20,500</b>			<b>\$6,234</b>

POOL				
Concrete Deck	\$30,000	20	15	\$7,500
***Pool Replacement	\$70,000	10	8	\$14,000
****Circulating Pumps	\$8000	8	7	\$1,000
Solar Pump	\$1,000	8	7	\$125
Solar Panels	\$6,000	10	5	\$3,000
*****Pumphouse Piping	\$6,250	15	13	\$834
**Miscellaneous	\$7,000	10	5	\$3,500
TOTAL POOL:	\$128,250			\$29,959
GROUNDS				
Playground Equipment	\$3,000	30	15	\$1,500
Walks & Walls	\$10,000	10	8	\$2,000
Fencing	\$5,000	10	5	\$2,500
TOTAL GROUNDS:	\$18,000			\$6,000
TOTAL REQUIRED RESERVES: \$179,750				\$42,193
RESERVES IN CD:			\$21,927.26	

This is a work-in-progress. The Reserve Study figures above are current. The figures above do not account for reserve funds already spent to repair and/or replace:

\*Pump house roof resealed 2019

\*\*Leak detection revealed multiple small leaks in the process of being repaired 2019-2021

\*\*\*Pool will need to be resurfaced in the near future

\*\*\*\* Pool pumps replaced summer of 2018 by Canderle Pools

\*\*\*\*\* Most pipes were replaced when the pool pumps were replaced summer of 2018

\*\*\*\*\* Most electrical in pump house upgraded when pumps were replaced summer of 2018

Breach and Default (1365d, 1367.1a)

Section 1. Failure to Comply with Governing Documents. Failure to comply with any provisions of the Governing Documents may be enjoyed by appropriate legal proceedings instituted by any owner, the Association, its officers or Board of Directors.

Section 2, Nuisance. Without limiting the generality of the foregoing section 1, the result of every act or omission whereby any covenant contained in this declaration is violated in whole or in part is hereby declared to be a nuisance, and every remedy against nuisance, either public or private, shall be applicable against every such act or omission.

Section 3. Failure Not a Waiver. The failure of any owner, the Board of Directors, or the Association or its officers or agents, to enforce any of the covenants, conditions and restrictions, limitations, reservations, grants of easements, rights, rights-of-way, liens, charges or equitable servitudes contained in this declaration shall not constitute a waiver of the right to enforce the same thereafter, nor shall such failure result in or impose any liability upon the Association or the Board, or any of its officers or agents.

Section 4. Enforcement Rights and Remedies of the Association: Limitations Thereon.

- (a) Rights Generally. In the event of a breach or violation of any Association Rule or of any of the restrictions contained in any governing Documents by an owner, his family, or the owner's guests, employees, invitees or tenants, the Board, for and on behalf of all other owners, shall enforce the obligations of each owner to obey such rule so restrictions through the use of such remedies as are deemed appropriate by the Board and available in law or in equity, including but not limited to the hiring of legal counsel, the imposition of fines and monetary penalties, the pursuit of legal action, or the suspension of the owner's right to use recreational Common Facilities or suspension of the owners' voting rights as a member of the Association; provided, however, the Association's right to undertake disciplinary action against its member shall be subject to the conditions set forth in this section 6. Furthermore, the decision of whether it is appropriate or necessary for the Association to take enforcement or disciplinary action in any particular instance shall be within the sole discretion of the Association's Board. If the Association declines to take action in any instance, any owner shall have such rights of enforcement as exist by virtue of section 1354 of the California Civil Code or otherwise by law.
- (b) Schedule of Fines. The Board may implement a schedule of reasonable fines and penalties for particular offenses that are common or recurring in nature and for which a uniform fine schedule is appropriate (such as fines for late payment of assessments, illegally parked vehicles or noncompliance with the governing document(s)). Once imposed, a fine or penalty shall be collected as a special individual assessment.
- (c) Limitations on Disciplinary Rights. No penalty or temporary suspension of rights shall be imposed pursuant to this Article X unless the owner alleged to be in violation is given at least 15 day's prior notice of the proposed penalty or temporary suspension, and is given an opportunity to be heard before the Board of Directors or appropriate committee established by the board with respect to the alleged violation(s) at a hearing conducted at least 5 days before the effective date of the proposed disciplinary action. Notwithstanding the foregoing, under circumstances involving conduct that constitutes:
- a. An immediate and unreasonable infringement of, or threat to, the safety or quiet enjoyment of neighboring owners
  - b. A traffic or fire hazard
  - c. A treat of material damage to, or destruction of, the Common Area or Common Facilities, or
  - d. A violation of the Governing Documents that is of such a nature that there is no material question regarding the identify of the violator or whether a violation has occurred (such as late payment of assessments, parking violations or noncompliance with the Governing Documents), the Board of Directors, or its duly authorized agents, may undertake immediate corrective or disciplinary action, and upon request of the offending owner (which request must be received by the Association, in writing within 5 days following the Association's disciplinary action), conduct a hearing as soon thereafter as reasonably possible, but in no event more than 15 days after the disciplinary action is imposed or 15 days following receipt of the owner's request for a hearing whichever is later. Under such circumstances, or fine imposed pursuant to an established fine schedule shall be due and payable only upon expiration of the 15 day notice period.

- (d) Notices. Any notice required by this article shall, at a minimum set forth the date and time for the hearing, a brief description of the action or inaction constituting the alleged violation and a reference to the specific governing document provision alleged to have been violated. The notice shall be in writing and may be given by any method reasonably calculated to give actual notice; provided that if notice is given by mail it shall be sent by registered mail to the last address of the member shown on the records of the Association.
- (e) Rules Regarding Disciplinary Proceedings. The Board, or an appropriate committee appointed by the Board, shall be entitled to adopt rules that further elaborate the procedures for conducting disciplinary proceedings. Such rules shall form a part of the Association rules.

#### Property Rights and Obligations

Any rental or lease of a residence shall be subject to the R-1 provisions of the Governing Documents, each of which shall be deemed to be incorporated by reference in the lease or rental agreement. Each owner shall provide any tenant or lessee with a current copy of all the Governing Documents and shall at all times be responsible for compliance of the owners' tenants or lessee with the Governing Documents during the lease or rental term. The owner should notify the administrative assistant of permanent renter's names, addresses and phone numbers.

- a) Discipline of Lessees. Subject to subparagraph (c) below, in the event that any tenant or lessee fails to honor any provision of the Governing Documents, the Association shall be entitled to take appropriate corrective action if, within a reasonable time, the owner fails to take such action with respect to the tenant or lessee. Such corrective action may include suspension of the tenant's privileges to use the Common Area, and/or Common Facilities or the imposition of fines and penalties against the owner.
- b) Association's right to Initiate Eviction Proceedings to protect the Common Interests. In the event a tenant's conduct involves material damage to, or misuse of, the Common Areas or Common Facilities, or constitutes an unreasonable nuisance to neighboring lot owners, the Association shall be entitled to maintain an eviction action against such tenant to the same extent as the owner of the subject lot, the Association being deemed to be a third party beneficiary of any lease agreement involving any residence located within the properties. The Association's rights hereunder shall be subject to the due process requirements of subparagraph (d) below.
- c) Due Process requirements for Disciplinary Action. Except for circumstances in which immediate action is necessary to prevent damage to, or destruction of, the properties or to preserve the right of quiet enjoyment of other residents, the Association shall have no right to initiate disciplinary action against an owner (or the owner's lessee or tenant) on account of the misconduct of the owner's lessee or tenant, unless and until the following conditions have been satisfied: (i) The owner has received written notice from the Board detailing the nature of the lessee's/tenant's alleged infraction or misconduct and advising the owner of his right to a hearing; (ii) the owner has been given a reasonable opportunity to take corrective action against the tenant/lessee on a voluntary basis, or to appear at a hearing to present arguments as to why disciplinary action is unnecessary or unwarranted; and (iii) the owner has failed to prevent or correct the tenant's objectionable actions or misconduct.

- (a) Owner's duty to notify Association of tenants and contract purchasers.

Each owner shall notify the secretary of the association of the names of any contract purchaser or tenant of the owner's lot and name and address of the escrow holder so that a proper filing may be made. Each owner, contract purchaser, or tenant, shall also notify the secretary of the Association of the names of all persons to whom such owner, contract purchase, or tenant has delegated their rights to use the common area.

#### Insurance (1365e)

Section 1. Insurance Coverage. The Association shall purchase, obtain and maintain, with the premiums therefore being paid out of common funds, the following types of insurance, if and to the extent they are available:



- (a) Public Liability and Property Damage Insurance. A policy of comprehensive public liability insurance insuring the Association, each member of the Association Board of Directors, and the owners and occupants of lots, against a liability incident to the ownership or use of the Common Areas.
- (b) Fire and Casualty Insurance. A policy of fire and casualty insurance naming as parties insured the Association, and containing the standard extended coverage and replacement costs endorsements and such other or special endorsements as will afford protection and insure current replacement cost as determined annually by the Board of Directors, all common facilities and the personal property of the Association for or against the following risks:
  - i. Loss or damage by fire or other risks covered by the standard extended coverage endorsement.
  - ii. Loss or damage from theft, vandalism or malicious mischief.

Section 2. Copies of Policies. Copies of all insurance policies (or certificates thereof showing the premiums thereon to have been paid) shall be retained by the Association and shall be available for inspection by owners upon request.

"This summary of the association's policies of insurance provides only certain information, as required by subdivision (f) of Section 1365 of the Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any association member may, upon request and provision of reasonable notice, review the association's insurance policies and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the association maintains the policies of insurance specified in this summary, the association's policies of insurance may not cover your property, including personal property or, real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance broker or agent for appropriate additional coverage."

Insurance Policies Disclosure Summary (1365f):
Travis Witt Insurance
Director Liability -- \$1 million
Homeowner's Association Liability -- \$1 million
Fire - \$200,000
Cost per year: \$3,812
Workers' Compensation: State Fund app \$1,300 per year

### Architectural Procedures

Section 1. Architectural Control. No building, fence or wall shall be constructed on any lot, and no exterior addition to or change or alteration of the improvements on any lot, shall be made by or on behalf of any person until a proposal has been submitted in writing to and approved by the Architectural Review Committee and the owner of the lot has obtained approvals from the County of Calaveras. Approval by the ARC shall not be a substitute for or assure the owner of approval by the County. Proposals and/or plans shall be mailed to the ARC at: Arnold Lilac Park Homeowners Association, P.O. Box 722, Arnold, CA 95223. Or email to: [info@arnoldlilacparkhoa.org](mailto:info@arnoldlilacparkhoa.org).

The Architectural Review Committee may have one (1) to (3) members to be appointed by the Board. Members of this committee must be members of the Association. All variance requests must be reviewed by and approved by a quorum of the Board.

## Summary of California Civil Code Sections 1369.510 – 1369.590

California Civil Code Sections 1369.510 through 1369.590 address your rights to sue the association or another member of the association regarding the enforcement of the governing documents, the non-profit mutual benefit corporation law, and/or the Davis-Stirling Common Interest Development Act. The following is a summary of the provisions of Civil Code Sections 1369.510 – 1369.590, enacted and effective January 1, 2005.

Civil Code Sections 1369.510 – 1369.590 encourages parties to a dispute involving enforcement of an association’s governing documents, the non-profit mutual benefit corporation law, and/or the Davis-Stirling Common Interest Development Act to submit the dispute to an alternative dispute resolution (ADR), such as, mediation or arbitration prior to filing a lawsuit. The intent of the statute is to promote speedy and cost-effective resolution of such disputes, to better preserve community cohesiveness and to channel disputes away from our court system.

Under Civil Code Section 1369.510 through 1369.590, the form of alternative dispute resolution may be binding or non-binding, and the costs will be borne equally, or as agreed by the parties involved.

Any party to a dispute regarding enforcement of the governing documents, the non-profit mutual benefit corporation law, and/or the Davis-Stirling Common Interest Development Act may initiate the process of ADR by serving a Request for Resolution on another party to the dispute. A Request for Resolution must contain (1) a brief description of the nature of the dispute, (2) a request for ADR, and (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.

If the request is accepted, the ADR must be completed within 90 days of the acceptance, unless otherwise agreed by the parties. Any Request for Resolution sent to the owner of a separate interest must include a copy of Civil Code Chapter 7, Article 2 (Alternative Dispute Resolution), Sections 1369.510ff, in its entirety.

Failure of a member of the Association to comply with the Alternative Dispute Resolution requirements of Section 1369.520 of the Civil Code may result in the loss of your right to sue the Association, or another member of the Association regarding enforcement of the governing documents or the applicable law.

Should the association or an individual member wish to file a lawsuit for enforcement of the association’s governing documents, that is solely for declaratory, injunctive, or writ relief, or for the relief in conjunction with a claim for monetary damages not in excess of five thousand dollars (\$5,000), the law requires the association or the individual to file a certificate with the court stating the ADR has been complete prior to the filing of the suit. Failure to file this certificate can be grounds for dismissing the lawsuit. There are limited exceptions to the filing of this required certificate when (1) one of the other parties to the dispute refused ADR prior to the filing of the complaint, (2) preliminary or temporary injunctive relief is necessary, (3) small claims actions, or (4) same assessment disputes. Exceptions (1) and (2), however, must also be certified in writing to avoid the court’s dismissing the action.

Furthermore, in any lawsuit to enforce the governing documents, while the prevailing party may be awarded attorney’s fees and costs, under Civil Code 1354, the court may consider any part’s refusal to participate in ADR prior to the lawsuit being filed when it determines the amount of the award.

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### Association’s Internal “Meet and Confer” Dispute Resolution Procedures

Pursuant to Civil Code Section 1363.840 (Civil Code Section 1363.810ff), either the Association or a homeowner who is involved in a dispute regarding the Governing Documents, the non-profit mutual benefit corporation law, and/or the Davis-Stirling Common Interest Development Act, may invoke the following procedure, which supplements the pre-litigation procedures described above:

1. One party may request the other party to meet and confer in an effort to resolve the dispute. The request must 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 association's board of directors shall designate two members of the board to meet and confer.
4. The parties shall meet promptly at a mutually convenient time and place, explain their positions, and confer in good faith in an effort to resolve the dispute.
5. A resolution of the dispute agreed to by the parties shall be documented in writing and signed by the parties.
6. The agreement reached binds the parties and is judicially enforceable if both of the following conditions are satisfied:
  - a. The agreement is not in conflict with California law or the governing documents of the association.
  - b. The agreement is either consistent with the authority granted by the board of directors, or ratified by the board of directors.
7. Members of the association may not be charged a fee to participate in the process.

Assessment Collection Policy Dispute Resolution, Meet and Confer, ADR

Dispute Resolution, Meet and Confer Procedures (1363.850)

1. This procedure may be invoked by the association or a homeowner. Either party may make a written request to meet and confer to resolve a dispute. The board shall designate a member(s) of the board to meet and confer.
2. When a written request for Dispute Resolution is received from an owner, the association shall participate. If the association makes a written request for an owner to participate, the owner may elect not to participate.
3. If an owner declines to participate, the association may begin an Alternative Dispute Resolution, pursuant to Civil Code 1369.520.

If the owner participates, the Meet and Confer, shall proceed as follows:

1. Both parties shall meet and confer to resolve the dispute within forty-five (45) days of receipt of the written request by the other party.
2. The meeting shall take place promptly at a mutually convenient time and place. Each party shall explain their position and shall confer in a good faith to resolve the dispute.
3. A resolution of the dispute agreed to by the parties shall be made in writing, dated, and signed.
4. The written decision shall be documented by the board and delivered, or received, by the owner within ten (10) days after the meet and confer.
5. If the owner does not agree with the resolution, the owner has the right to appeal to the whole board.

APPEAL:

1. If the owner disputes the resolution, an appeal must be taken to the Board of Directors within thirty (30) days of the date of the written decision.
2. If there is an appeal, the Board must hear the appeal at its next scheduled meeting in executive session, then issue a written decision within ten (10) days.

NO CONFLICT:

1. The resolution must not be in conflict with the law or the governing documents.
2. The agreement must be consistent with the authority granted the Board of Directors, or the Board must ratify the agreement.
3. The dated and signed written agreement will bind both parties and be judicially enforceable.
4. NO FEE shall be charged to the owner during this process.
5. Reasonable time deadlines may be made by the Board, if necessary, on a case-by-case basis.
6. The maximum time to act on a request by the owner is forty-five (45) days. Initiation to termination of the dispute shall not exceed one hundred and eight (180) days.

ADR- Alternative Dispute Resolution CC 1369.520 – Summary

1. If an association, owner, or member of an association, seeks either:
  - a. Declaratory or injunctive relief, or
  - b. Declaratory or injunctive relief and a claim for \$5,000 or less, including association assessments, concerning the enforcement of the governing documents, the parties shall submit their dispute to Alternative Dispute Resolution (ADR), such as mediation or arbitration. A Request for Resolution (Request) begins the process and it shall include:
    - i. A description of the dispute
    - ii. A request for ADR
    - iii. Notice that the party receiving the request is required to respond within 30 days, or the request will be deemed rejected.
  - c. This does not apply to small claims action.
2. A party on whom a Request for Resolution is served has thirty (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.
3. If the Request is accepted, ADR shall be completed within ninety (90) days from the date of acceptance, or it can be extended by a written stipulation signed by both parties.

“Failure of a member of the association to comply with the Alternative Dispute Resolution requirements of section 1369.520 of the civil code may result in the loss of your right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law.”

## OTHER IMPORTANT REMINDERS from Lilac Park’s CC&R’s

### Prohibition of Illegal and Noxious Activities.

- (a) There shall be no illegal, noxious or offensive activities carried on or conducted upon any lot or common area which is or may become an unreasonable annoyance or nuisance to the neighborhood.
- (b) No owner shall permit disturbances which unreasonably disturb other owners’ quiet enjoyment of their lot. Quiet shall be observed between the hours of 10:00 PM and 7:00 AM.
- (c) There shall be no exterior lighting installed or operated which is directed at or shining on neighboring lots.
- (d) No owner shall permit anything to be done or kept in their lot, or in the Common Area, that violates any law, ordinance, statute, rule or regulation of the local, county, state, or federal body.
- (e) No owner, lessee, tenant, guest, children or pets shall have the right to trespass, shortcut by vehicle, bicycle or foot on any property without the permission of said property owner.
- (f) Depositing garbage, refuse, or combustible materials on neighboring properties shall be considered illegal trespassing subject to legal action.
  - i. Repairs performed in a fully enclosed garage are exempt from this paragraph (c) & (d) providing doors are closed when repair is not in progress.
- (g) All vehicles and boats in public view shall have current legal registrations. Such proof shall be provided to the Board upon request.
- (h) All debris, oil, grease, gasoline, rags, containers, parts and discarded materials shall be disposed of in a lawful manner. Hazardous materials shall be used and disposed of in accordance with Calaveras County and State of California regulations.

Repairing and Storing Vehicles and Boats. Repairing, storing and or dismantling of vehicles and boats in public view has a negative impact on livability and appearance, on property values and can pose safety or health hazards to children and adults and it is prohibited with the following exceptions:

- (a) Routine maintenance shall be limited to changing oil, tires, filters, spark plugs and tune-ups.
- (b) Major repairs shall include dismantling engines, repair or replacement of transmissions, axles, water pumps, alternators, brakes, shock absorbers and similar works, as well as body, panel repairs and hull or cabin repair of a boat.
- (c) A person performing major repairs on a vehicle or boat shall be a lawful resident of the property where the maintenance is being performed.

- i. Such vehicle or boat is registered to the lawful resident of the property or a member of the immediate family.
  - ii. Proof of registration or proof of immediate family relation will be provided on request of any member of the Board of Directors.
- (d) There shall be no more than two boats or vehicles under major repairs or stored at any one time in public view.
  - i. Routine maintenance shall be completed within a reasonable time to be determined by a consensus of the Board.
  - ii. All maintenance or repairs shall take place between 8:00AM and 8:00PM.
  - iii. Repairs performed in a fully enclosed garage are exempt from this paragraph (c) & (d) providing doors are closed when repair is not in progress.
- (e) All vehicles and boats in public view shall have current legal registrations. Such proof shall be provided to the Board upon request.
- (f) All debris, oil, grease, gasoline, rags, containers, parts and discarded materials shall be disposed of in a lawful manner. Hazardous materials shall be used and disposed of in accordance with Calaveras County and State of California regulations.

Activities Affecting Insurance. Nothing shall be done or kept on any lot or within the Common Area which will increase the rate of insurance relating thereto without the prior written consent of the Board, and no owner shall permit anything to be done or kept on the lot or the Common Area which would result in the cancellation of insurance on any residence or any part of the Common Area or which would be in violation of any law.

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## Required Disclosure

"If this document contains any restriction based on race, color, religion, sex, sexual orientation, familial status, marital status, disability, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.2 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status." Section 12956.1 (b)(1) of the Government Code 9-2000