

Arnold Lilac Park Homeowners Association
PO Box 722, Arnold, CA 95223

TO: Arnold Lilac Park Homeowners Association
FROM: Board of Directors
DATE: November 5, 2022
RE: 2023 ANNUAL BUDGET AND POLICY DISCLOSURES (aka Pro Forma Operating Budget)

Arnold Lilac Park Homeowners' Association is a nonprofit mutual benefit corporation formed to operate and manage the Association's affairs. The Association consists of 171 improved lots, 32 unimproved lots and three common area lots. It is governed by a volunteer Board of Directors elected to seats on September 3, 2022. The fiscal year commences on January 1st and ends December 31st of each year.

Each fiscal year the Association is required to prepare an ANNUAL BUDGET REPORT showing the estimated revenues and expenses on an accrual basis. This budget is used to determine the regular annual assessments. **The 2023 regular yearly assessment amount is \$288.00 for improved lots, and \$216.00 for unimproved lots**, as approved at the August 13th BOD meeting.

Per California Civil Code, the following disclosures are made:

- 1) The Association is NOT involved in any litigation at this time.
- 2) 5300(b)(8) The Board does not anticipate a special assessment to repair/replace the pool in the Common Area.
- 3) The Board plans to fund the reserves with not more than a 20% yearly increase in dues over the next several years. (TBD)
- 4) The Association has no outstanding loans with a lending agency at this time. It does have a \$10,000 loan from the Reserve Account to the Checking Account to cover legal expenses. This money must be repaid to the Reserve Account no later than one calendar year from the date of the transfer.
- 5) 4950(a)(6) Minutes- Copies of draft/approved meeting minutes are available to homeowners, upon request, within 30 days of the meeting date and are subject to processing costs. Draft/approved minutes are also available on our website, free of cost at www.arnoldlilacparkhoa.org.
- 6) Meetings: Board of Director meetings are held on the first Saturday of each month, except January, @ 10AM. During the winter months (Oct. thru April) the meetings are held at a remote location, or via ZOOM. During the summer (May thru Sept.), meetings 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 agenda at the BOD's discretion.**
- 7) There have not been any fees adopted. Subsequently, there are no charges for documents provided.
- 8) A Procedure for Imposing Fines and Schedule of Fines was adopted November 5, 2022.
- 9) New rules were adopted on November 5, 2022. These include Pool Rules, After-Hours Pool Use Rules, After-Hours Pool Use Agreement, and Meeting Procedures and Code of Conduct.
- 10) Election Rules were adopted December 11, 2021.

All rules are available on the Association's website at www.arnoldlilacparkhoa.org, or upon written request via email at info@arnoldlilacparkhoa.org or US Mail: ALPHA, PO Box 722, Arnold, CA 95223.

Members of the Association may submit a request to have individual notices sent to up to two different specified addresses pursuant to Civil Code 4040(b). NOTE: the annual billing statement and election ballots will be sent to the member's primary address only. Please use the Request for Annual Notice of Address, Representation and Rental Status form.

The Association posts notices of a general nature on the bulletin board at the end of the common area parking lot during months the pool is open, via email and the Association's website. General notices will only be mailed to members upon written request for individual delivery of general notices.

The Annual Budget Report includes a copy of the current assessment, listed above, and a Reserve Funding Disclosure Summary which was completed pursuant to Civil Code Section 5570.

If you have questions, or need to make payments (including overnight payments), please use the following:

- 1) US MAIL: ALPHA, PO Box 722, Arnold CA 95223
- 2) Phone voice mail: 209-795-3807
- 3) Email: 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.

Pursuant to the requirements of Civil Code Section 5300 the following are enclosed:

- 2023 Pro Forma Operating Budget
- Assessments
- Reserve Study and Funding Schedule
- Assessment and Reserve Funding Disclosure Summary
- Insurance Coverage Summary
- Dispute Resolution Policy
- Notice of Collection Rights and Obligations
- Rules Enforcement Policy
- Policy for Imposing Fines and Schedule of Fines
- Request for Annual Notice of Address, Representative and Rental Status as per Civil Code 4041
- Notice of Charges for Documents by Mail
- Architectural Rules

ALPHA 2023 Adopted Pro Forma Operating Budget (5300)
January 01, 2023 – December 31, 2023

INCOME		
Lot Fees	56,160	WITH 20% INCREASE
Short-Term CD	32	Unimproved=216.00
Snack Bar	200	Improved-288.00
Transfer Fees	Unpredictable	
Late Fees	Unpredictable	
TOTAL INCOME:	\$56,392	
EXPENSES		
Accounting/ Banking Fees	4,000	
Legal Fees	6,000	
Election Costs	2,000	
Reserve Study	0 – in house until 2024	
Liability / Bond Insurance	5,000	
Licenses, Fees and Permits	425	
Lien Filing Fees	450	
Meetings & Events	500	
Office Supplies	500	
Pool Manager Salary	4,200	
Payroll Subscription	200	
Payroll Tax Emp. / Wages	12,000	
Workers Comp Ins.	1,500	
Postage/ Printings	450	
Pool Repairs & Maintenance	5,000	
Pool Supplies/ Snack bar	300	
Property Tax	450	
Telephone/ Internet	1,000	
CCWD/ Water	1,700	
Lot Cleanup/ common areas	2,000	
PG&E	3,000	
TOTAL:	\$50,675	
Reserve Fund Contribution	31,857 Per 2021 Reserve Study	
TOTAL EXPENSE:	\$82,532	
Income minus Expenses	(26,140)	
Checking account balance on December 31 will be added to the reserve account.		

Within the next 3 months we will be addressing the inconsistencies in this budget regarding the reserve study contribution. Any monies remaining in the checking account on December 31st will be a partial payment towards the \$10,000 Reserve Fund loan.

Assessments (5320a, 5600, 5650, 5660, 5705, 5730)

As found in the CC&Rs Article IV

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 5605 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 on 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 5620 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.
 - i. 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 billing/collection of Annual Assessments:

- 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 may be 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.
- A homeowner needing to make installment payments must contact the Treasurer to set up a payment schedule.

Call: 209-795-3807

E-mail: info@Arnoldlilacparkhoa.org

Mail: ALPHA PO Box 722, Arnold CA 95223.

Calendar of late fees and interest based on an improved lot: \$288.00 Assessment		
Months	Late Fees/interest	Dues
January 1 – April 30	0	\$288.00
May	\$28.80+ 1% = \$31.68	\$319.68
June	1% = \$3.20	\$322.88
July	1% = \$3.23	\$326.11
August	1% = \$3.26	\$329.37

Calendar of late fees and interest based on an unimproved lot: \$216.00 Assessment		
Months	Late Fees/interest	Dues
January 1 – April 30	0	\$216.00
May	\$21.60 + 1%=\$23.76	\$239.76
June	1% = \$2.40	\$242.16
July	1% = \$2.42	\$244.58
August	1% = \$2.45	\$247.03

In April of the following year, past due accounts may be turned over to a collection agency.

Checks returned for insufficient funds, will result in a \$25.00 fee to the homeowner.

Reserve Study Summary 2023

#	Component	Useful Life (years)	Remaining Useful Life (years)	Current Average Cost
202	Asphalt – Remove and Replace	40	19	\$28,460
203	Asphalt – Seal/Repair	5	0	\$2,850
502	Chain Link Fence – Replace	30	14	\$5,220
505	Wood Fence – Replace	30	11	\$8,340
514	Retaining Walls – Replace/Repair	25	9	\$6,190
709	Chain Link Gate – Replace	40	17	\$970
1008	Trees – Trim/Remove	3	0	\$3,230
1403	Monument Sign – Replace	20	11	\$1,345
305	Security System – Replace	10	4	\$3,500
703	Exterior Doors – Replace	30	11	\$4,570
1303	Composition Shingle Roof – Replace	25	4	\$17,050
1308	Flat Roof – Replace	20	17	\$8,180
1311	Shingle Roof – Replace	30	4	\$7,260
602	Vinyl Floor – Replace	20	11	\$3,770
803	Water Heater – Replace	12	3	\$1,180
909	Bathroom – Refurbish	30	14	\$37,660
911	Kitchen Appliances – Replace	15	9	\$5,110
912	Kitchen – Refurbish	20	9	\$5,920
1820	Electrical – Repair/Replace	10	5	\$1,880
1201	Pool Deck – Repair	5	0	\$2,740
1201	Pool Deck – Replace	50	4	\$32,280
1202	Pool Resurface	15	4	\$204,440
1208	Pool Solar Heater System – Replace	10	5	\$12,210
1210	Pool Pumps – Replace	10	5	\$10,540

The Reserve Study estimates above are current and have been adjusted for inflation.

A complete copy of the Reserve Study is available upon written request via email at info@arnoldlilacparkhoa.org or US Mail: ALPHA, PO Box 722, Arnold, CA 95223.

5-Year Reserve Study Income/Expense Detail

Fiscal Year	2023	2024	2025	2026	2027
Starting Reserve Balance	\$16,051.	\$26,051.	\$32,680.	\$48,283.	\$75,256.
Annual Reserve Contribution	\$0.	\$5,717.	\$14,415.	\$25,233.	\$38,613.
Repay Reserve Fund Loan	\$10,000.	\$0.	\$0.	\$0.	\$0.
Interest Earnings	\$0.	\$912.	\$1,144.	\$1,690.	\$2,633.
Reserve Fund Balance	\$26,051	\$32,680.	\$48,293.	\$75,256.	\$116,502.
Assumptions: Increase Annual Assessments (Dues) by 20% each year No reserve expenditures over the next 5 years Invest funds in CD @ 3.5%					
#	Component				
202	Asphalt – Remove and Replace	\$0.	\$0.	\$0.	\$0.
203	Asphalt – Seal/Repair	\$0.	\$0.	\$0.	\$0.
502	Chain Link Fence – Replace	\$0.	\$0.	\$0.	\$0.
505	Wood Fence – Replace	\$0.	\$0.	\$0.	\$0.
514	Retaining Walls – Replace/Repair	\$0.	\$0.	\$0.	\$0.
709	Chain Link Gate – Replace	\$0.	\$0.	\$0.	\$0.
1008	Trees – Trim/Remove	\$3,320.	\$0.	\$0.	\$3,607.
1403	Monument Sign – Replace	\$0.	\$0.	\$0.	\$0.
305	Security System – Replace	\$0.	\$0.	\$0.	\$0.
703	Exterior Doors – Replace	\$0.	\$0.	\$0.	\$0.
1303	Composition Shingle Roof – Replace	\$0.	\$0.	\$0.	\$0.
1308	Flat Roof – Replace	\$0.	\$0.	\$0.	\$0.
1311	Shingle Roof – Replace	\$0.	\$0.	\$0.	\$0.
602	Vinyl Floor – Replace	\$0.	\$0.	\$0.	\$0.
803	Water Heater – Replace	\$0.	\$0.	\$0.	\$1,318.
909	Bathroom – Refurbish	\$0.	\$0.	\$0.	\$0.
911	Kitchen Appliances – Replace	\$0.	\$0.	\$0.	\$0.
912	Kitchen – Refurbish	\$0.	\$0.	\$0.	\$0.
1820	Electrical – Repair/Replace	\$0.	\$0.	\$0.	\$0.
1201	Pool Deck – Repair	\$0.	\$0.	\$0.	\$0.
1201	Pool Deck – Replace	\$0.	\$0.	\$0.	\$0.
1202	Pool Resurface	\$0.	\$0.	\$0.	\$0.
1208	Pool Solar Heater System – Replace	\$0.	\$0.	\$0.	\$0.
1210	Pool Pumps – Replace	\$0.	\$0.	\$0.	\$0.
	Total Expenses	\$3,320.	\$0.	\$0.	\$4,925.
	Ending Reserve Balance	\$22,731.	\$32,860.	\$48,293.	\$70,331.
					<\$193,606>

Civil Code §5570. Reserve Funding Disclosure Form.

(a) The disclosures required by this article with regard to an association or a property shall be summarized on the following form:

**Assessment and Reserve Funding Disclosure Summary
For the Fiscal Year Ending 2023**

- (1) The regular assessment per ownership interest is \$288. for improved lots and \$216. for unimproved per year.
- (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:

No additional regular or special assessments have been approved to be imposed at this time.

- (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 X

- (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 that have not yet been approved by the board or the members?

The Association plans to increase the membership dues (regular assessments) by 20% each year for the next 4 years.

Approximate date assessment will be due:	Amount per ownership interest per year for improved lots:	Amount per ownership interest per year for unimproved lots:
2024	\$346	\$259
2025	\$415	\$311
2026	\$498	\$373
2027	\$598	\$448

- (5) All major components are included in the reserve study and are included in its calculations.
- (6) Based on the method of calculation in paragraph (4) of subdivision (b) of **Section 5570**, the estimated amount required in the reserve fund at the end of the current fiscal year is \$241,978, based in whole or in part on the last reserve study. The projected reserve fund cash balance at the end of the current fiscal year is \$16,051, resulting in reserves being 6.6 percent 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 estimated amount required in the reserve fund at the end of each of the next five budget years is, See Chart Below, and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues is, See Chart Below, leaving the reserve at, See Chart Below, percent funded. If the reserve funding plan is implemented, the projected reserve fund cash balance in each of those years will be, See Chart Below, leaving the reserve at, See Chart Below, percent funded.

Year	Amt. Required Yearend	Projected Cash Balance taking into account only assessments already approved. / Percent funded	Projected Cash Balance if plan is approved. / Percent funded
2023	\$267,287	\$21,768 / 8.1%	\$26,051 / 9.8%
2024	\$296,230	\$25,713 / 8.7%	\$32,680 / 11.0%
2025	\$329,948	\$27,136 / 8.2%	\$48,293 / 14.6%
2026	\$365,422	\$25,815 / 7.1%	\$75,256 / 20.6%
2027	\$397,974	\$21,514 / 5.4%	\$116,502 / 29.3%

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 earned on reserve funds was 3.5 percent per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 3 percent 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 5550**. 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 annual budget report or summary thereof that is delivered pursuant to Section 5300. The form may be supplemented or modified to clarify the information delivered, so long as the minimum information set out in subdivision 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.

Breach and Default (5930)

As found in the CC&Rs Article X

Section 1. Failure to Comply with Governing Documents. Failure to comply with any provisions of the Governing Documents may be enjoined 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 (c)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 5975 of the California Civil Code or otherwise by law.

*(Edited to bring this section in compliance with current law and to correct a typographical error in the section reference.)

- (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 days 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 identity 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

As found in the CC&Rs Article II

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.

- b) 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.
- c) 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.
- d) 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.

Summary of California Statutes Relating to Alternative Dispute Resolution And Association's Internal "Meet and Confer" Dispute Resolution Procedures

Summary of California Civil Code Sections 5900-5965

California Civil Code Sections 5900 through 5965 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 5900-5965 enacted and effective January 1, 2014.

Civil Code Sections 5900-5965 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 5900 through 5965, 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 10, Article 2 (Alternative Dispute Resolution), Sections 5925, in its entirety.

Failure of a member of the Association to comply with the Alternative Dispute Resolution requirements of Section 5925-5965 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 5975, 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.

Association's Internal "Meet and Confer" Dispute Resolution Procedures

Pursuant to Civil Code Section 5915, 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 a member 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. 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.
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 (5920)

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 5905.

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 5905 – 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 5930 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.”

Insurance (5310a7)

As found in the CC&Rs Article VIII

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 ensure 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.

Required Disclosure

“This summary of the association’s policies of insurance provides only certain information, as required by [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.”

Insurance Policies Disclosure Summary (5300b9):
Travis Witt/ Farmers Insurance
Director Liability -- \$1 million
Homeowner’s Association Liability -- \$1 million
Fire - \$208,000
Cost per year: \$4,423
Workers’ Compensation: State Fund approximately \$1,300 per year

Architectural Procedures (4765)

As found in the CC&Rs Article VI

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.

- a. 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.

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.

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

Arnold Lilac Park Homeowners' Association

Policy for Imposing Fines and Schedule of Fines

This document sets forth the Arnold Lilac Park Homeowners' Association's (ALPHA) policy for imposing fines for violations of the Association's Governing Documents and its Schedule of Fines, pursuant to California Civil Code section 5850(a), ALPHA's By-Laws and the Arnold Lilac Park Covenants, Conditions and Restrictions (CC&Rs).

1. Authority of ALPHA's Board of Directors

The Board of Directors, pursuant to the Governing Documents, has the authority to adopt and establish rules, regulations, and policies relating to the administration, management, operation, use and occupancy of the HOA's Common Area, and the personal conduct of owners and residents, members of their household, pets, tenants, invitees, and guests, and to take such steps as it deems necessary for the enforcement of rules and other Governing Documents.

2. Member Responsibility

Each owner is a Member of ALPHA and is responsible for complying, and for their family members, tenants, invitees, guests, and household members compliance with the Governing Documents. Owners shall give their tenants copies of the Governing Documents, including rules and any amendments as they are adopted. In the case of a violation by a non-member party, ALPHA shall notify the responsible owner, and any disciplinary action for non-compliance will be imposed against the member.

3. Notice of Violation and Opportunity to Cure

The Board shall provide a member who is responsible for a violation with written notice of the violation and may, depending on the nature of the violation, provide the Member a reasonable time to cure or correct the violation. If the Member fails to cure or correct the violation, or if the Board determines that providing an opportunity to cure or correct is not appropriate under the circumstances, the Board shall notify the Member of the hearing at which the Board will consider its disciplinary options, including levying fines and suspension of membership rights.

4. Hearing

A hearing shall be conducted by the Board. The Member shall be entitled to attend the hearing and address the Board. Alternatively, the Member may submit a written explanation to the Board prior to the hearing for the Board to consider.

5. Hearing Notice

At least fifteen (15) days before the hearing at which the Board will consider discipline of the responsible Member, the Board shall notify such Member in writing so that the Member is aware of the nature of the violation, the evidence thereof, and what discipline the Board can consider, the Hearing Notice shall:

- a. Identify the Governing Document provision(s) alleged to be violated.
- b. Set forth the facts that the Board believes justify disciplinary action.
- c. Identify the date, time, and place of the hearing.
- d. Describe the disciplinary action being contemplated.
- e. State that the member is entitled to attend the hearing to address the Board.

This notice will be sent by registered mail to the most recent address for the Member as shown on the records of the Association.

6. Imposing Disciplinary Action

The Board may impose one or more disciplinary actions if it determines at the hearing that the Member or a non-member party for whom the Member is responsible has violated the Governing Documents. Disciplinary action may include but is not limited to temporary suspension of membership rights, fines, and/or any other discipline authorized in the Governing Documents for such violation.

7. Notice of Board’s Decision: Effective Date of Disciplinary Action

The Board shall notify the Member of its decision, in writing, within fifteen (15) days after the meeting. If any disciplinary action is imposed, the notice shall describe the disciplinary action and its effective date.

8. Schedule of Fines

The Board of Directors has adopted the following Schedule of Fines, which will be in effect until changed by action of the Board:

Conduct Violations:

Examples: disruptions, noise, rule violations, lights, causing damage to the Common Area, etc.

First violation:	Warning
Second instance of the same violation:	\$ 50.00
Third instance of the same violation:	\$100.00
Fourth and subsequent instance of the same violation:	\$200.00

9. Payment of Fines

Fines are due when imposed by the Board and are delinquent if not paid within thirty (30) days after they are due. All sums payable hereunder by a member shall be subject to late charges, interest and collection as permitted by the Governing Documents, including but not limited to a lawsuit to compel payment of delinquent amounts and to recover attorneys’ fees and costs of enforcement.

10. Other Remedies

ALPHA reserves the right to avail itself of any other remedy permitted by law and the Governing Documents to enforce the provisions of the Governing Documents. These remedies include, but are not limited to, requesting that the matter be submitted to a form of internal dispute resolution, mediation or arbitration, seeking assistance from local law enforcement, county code compliance or similar public agencies as applicable, or bring an action in court.

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**Arnold Lilac Park
Homeowners Association**

PO Box 722
Arnold, California 95223

209.795.3807

info@arnoldlilacparkhoa.org
www.arnoldlilacparkhoa.org

Request for Annual Notice of Address, Representative and Rental Status

Civil Code 4041 requires each homeowner to provide the Association with the following information on an annual basis. Please complete and return this form to the Association at the address above within 30 days. If an owner fails to provide the information requested in paragraphs 1 and 2 below, or if there has been no change in your mailing address, the mailing address the Association has on file shall be deemed to be the address to which notices are to be delivered.

1. Property owners' names: _____

Required: Primary contact information:

Mailing address: _____

Email address (optional) _____

2. Optional: Alternate or secondary method of contact:

Mailing Address: _____

Email address (optional): _____

3. The name and address of your legal representative, if any, including any person with power of attorney or other person who can be contacted in the event of your extended absence.

4. Is the property that you own (check one):

A. _____ Owner occupied or _____ Vacant

B. _____ Owner vacation/2nd home

C. _____ Vacant Lot

D. _____ Rented Out - Name of Renter _____

5. Designate your preferred method for receiving year-end disclosure statements and other notices. If email is selected, you will receive both general and individual notice items. If regular mail is selected, only items requiring individual notice will be mailed. *

Primary delivery method:

Secondary delivery method:

_____ by email or
_____ through regular mail

_____ by email or
_____ through regular mail

*Note: Pursuant to Civil Code Section 4045, should you wish to receive General Notice items such as agendas and minutes via regular mail, a separate written request may be sent to the Board to have general notice items mailed to you.

Owner's Signature

Property Address

Lot #:

Printed Name

Date

Phone Number

Check this box to opt out of having your information included on the shared membership list.