

BLUE LAKE SPRINGS HOMEOWNERS' ASSOCIATION

Summary Pro Forma Budget for the Fiscal Year January thru December 2021

The Blue Lake Springs Homeowners' Association Board of Directors has conducted a review of the annual assessment requirements for the 2021 Fiscal Year as required by the California Civil Code. Based on that review and the projected costs to maintain the Association, the Board has established that the annual assessment for the year 2021 will be \$772 per lot. All sums are due January 1, 2021, and are considered delinquent if not paid by May 1, 2021. Payments received after May 1, 2021, will accrue a 1% interest charge per month (12% per annum) computed on the past due balance. A late Charge of 10% (\$77.20) will be charged to all delinquent accounts after May 1, 2021. CC § 5650.(b)(2)

A Pro Forma Operating budget for 2021 will be available to any member after January 1, 2021. If any member makes a written request, one will be provided at association expense via email or first class mail and delivered within five business days following the association's receipt of the request.

SUMMARY PRO FORMA BUDGET FOR THE YEAR ENDING DECEMBER 31, 2020

INCOME:	Annual Assessment	\$ 1,567,748
	Administration Income	\$ 49,569
	Interest Income	\$ 4,900
	Recreation Fees & Sales	\$ 104,900
	Lodge, Members Activities, and Food Service	\$ 185,848
	Snack Bar	\$ 38,300.00
	TOTAL INCOME	\$ 1,951,265
EXPENSES:	Administration	\$ 607,871
	General Maintenance	\$ 478,555
	Utilities	\$ 111,406
	Security	\$ 57,288
	Recreation (Winter & Summer)	\$ 201,469
	Lodge, Members Activities, and Food Service	\$ 280,579
	Snack Bar	\$ 37,025
	Capital Improvements/Operating Fund	\$ 101,700
	Transfers to Reserve Funds	\$ 75,000
	TOTAL EXPENSES	\$ 1,950,893
BALANCE		\$ 372

The budget summary conforms to the following:

Summary, Pro Forma Budget Ref. CC §5320

Dues assessment collection policy Ref. CC §5310(a)(7)

Notice of rights to minutes of board meeting Ref. CC §4950

Insurance coverage Ref. CC §5300(9)

Dispute Resolution Procedures Ref. CC §5310(a)(9)

Notice of Board Meetings Ref. CC §4920

Assessment and Reserve Funding Disclosure Ref. CC §5300

Section §5320 of California Civil Code requires that a summary Pro Forma operating budget be provided to all members of a common interest subdivision association not less than 30 days or more than 90 days preceding the beginning of the fiscal year.

Property owners should retain this budget summary and all financial disclosures associated with Civil Code §5300 with their property records as property owners are required by Section §4525 of the Civil Code to provide the most recent financial documents to a prospective purchaser.

**Blue Lake Springs Homeowners' Association
Assessment and Reserve Funding Disclosure Summary**

Blue Lake Springs Homeowners' Association, Arnold

For Fiscal Year Beginning: 1/1/2021

of units: 2008

1) Budgeted Amounts:	Total	Average Per Unit*	
Reserve Contributions:	\$75,000	\$37.35	
Total Assessment Income:	\$1,550,176	\$772.00	per: Year

2) Additional 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:

Year	Total Amount Per Unit*	Purpose
Total: \$0.00		

3) Based on the most recent Reserve Study and other information available to the Board of Directors, at this point in time does it appear that currently projected Reserve account balances will 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**

4) If the answer to #3 is no, what additional assessments or other contributions/loans to Reserves would be necessary to ensure that sufficient Reserve Funds will be available each year during the next 30 years?

Approximate Fiscal Year Assessment Will Be Due	Average Total Amount Per Unit*

Total: \$0.00

5) All major components appropriate for Reserve Funding (components that are a common area maintenance responsibility with a limited life expectancy and predictable remaining useful life, above a minimum threshold cost of significance) are included in this Reserve Funding Plan: **Yes**

6) All computations/disclosures are based on the fiscal year start date of:	1/1/2021
Fully Funded Balance (based on formula defined in 5570(b)4):	\$1,212,923
Projected Reserve Fund Balance:	\$713,790
Percent Funded:	58.85 %
Reserve Deficit (surplus) on a mathematical avg-per-unit* basis:	\$248.57

* If assessments vary by the size or type of unit, allocate as noted within your Governing Documents.

7) See attached 30-yr Summary Table, showing the projected Reserve Funding Plan, Reserve Balance, Percent Funded, and assumptions for interest and inflation.

The financial representations at the time of preparation are based on the Reserve Study for the fiscal year shown at the top of this page and the best estimates of the preparer. These estimates should be expected to change from year to year. Some information on this form has been provided to Association Reserves, and has not been independently verified.

Fiscal Year Start: 1/1/2021	Interest: 1.00 %	Inflation: 3.00 %
Reserve Fund Strength Calculations: (All values of Fiscal Year Start Date)	Projected	Reserve Balance Changes

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	Increase		Loan or Special Assmts	Interest Income	Reserve Expenses
					In Annual Reserve Contribs.	Reserve Contribs.			
2021	\$310,738	\$1,071,235	29.0 %	High	5.00 %	\$172,725	\$0	\$3,710	\$55,496
2022	\$431,677	\$1,180,771	36.6 %	Medium	5.00 %	\$181,361	\$0	\$3,960	\$256,340
2023	\$360,658	\$1,090,761	33.1 %	Medium	2.90 %	\$186,621	\$0	\$4,105	\$90,751
2024	\$460,632	\$1,172,765	39.3 %	Medium	2.90 %	\$192,033	\$0	\$4,880	\$141,724
2025	\$515,821	\$1,209,009	42.7 %	Medium	2.90 %	\$197,602	\$0	\$5,666	\$101,228
2026	\$617,861	\$1,292,464	47.8 %	Medium	2.90 %	\$203,332	\$0	\$6,201	\$204,601
2027	\$622,793	\$1,276,491	48.8 %	Medium	2.90 %	\$209,229	\$0	\$6,406	\$179,389
2028	\$659,039	\$1,290,686	51.1 %	Medium	2.90 %	\$215,296	\$0	\$7,092	\$121,464
2029	\$759,963	\$1,369,790	55.5 %	Medium	2.90 %	\$221,540	\$0	\$8,012	\$146,383
2030	\$843,132	\$1,430,567	58.9 %	Medium	2.90 %	\$227,965	\$0	\$9,241	\$74,406
2031	\$1,005,933	\$1,572,416	64.0 %	Medium	2.90 %	\$234,576	\$0	\$10,655	\$125,232
2032	\$1,125,931	\$1,671,438	67.4 %	Medium	2.90 %	\$241,378	\$0	\$11,110	\$281,402
2033	\$1,097,017	\$1,617,999	67.8 %	Medium	2.90 %	\$248,378	\$0	\$11,519	\$149,240
2034	\$1,207,674	\$1,704,672	70.8 %	Low	2.90 %	\$255,581	\$0	\$12,588	\$164,774
2035	\$1,311,070	\$1,783,701	73.5 %	Low	2.90 %	\$262,993	\$0	\$14,063	\$85,470
2036	\$1,502,656	\$1,952,712	77.0 %	Low	2.90 %	\$270,620	\$0	\$15,596	\$170,949
2037	\$1,617,922	\$2,044,856	79.1 %	Low	2.90 %	\$278,468	\$0	\$16,301	\$269,042
2038	\$1,643,649	\$2,045,018	80.4 %	Low	2.90 %	\$286,543	\$0	\$16,661	\$256,829
2039	\$1,690,025	\$2,064,242	81.9 %	Low	2.90 %	\$294,853	\$0	\$16,998	\$290,793
2040	\$1,711,084	\$2,055,732	83.2 %	Low	2.90 %	\$303,404	\$0	\$15,933	\$553,645
2041	\$1,476,775	\$1,783,101	82.8 %	Low	2.90 %	\$312,203	\$0	\$15,428	\$194,364
2042	\$1,610,041	\$1,879,430	85.7 %	Low	2.90 %	\$321,257	\$0	\$17,114	\$134,281
2043	\$1,814,131	\$2,047,826	88.6 %	Low	2.90 %	\$330,573	\$0	\$19,131	\$150,111
2044	\$2,013,724	\$2,212,477	91.0 %	Low	2.90 %	\$340,160	\$0	\$20,779	\$230,793
2045	\$2,143,870	\$2,306,700	92.9 %	Low	2.90 %	\$350,024	\$0	\$22,940	\$70,717
2046	\$2,446,117	\$2,576,595	94.9 %	Low	2.90 %	\$360,175	\$0	\$24,911	\$292,919
2047	\$2,538,284	\$2,633,926	96.4 %	Low	2.90 %	\$370,620	\$0	\$24,972	\$475,589
2048	\$2,458,287	\$2,513,278	97.8 %	Low	2.90 %	\$381,368	\$0	\$26,332	\$55,711
2049	\$2,810,276	\$2,830,190	99.3 %	Low	2.90 %	\$392,428	\$0	\$28,384	\$362,204

Blue Lake Springs Homeowners' Association Annual Policy Statement

Official Association Communications. The Person designated to receive official communications to the Association is Ref. CC §4035

Tony Abila, General Manager
PO Box 712
Arnold, CA 95223
209-795-2357 Email: blshoffice@caltel.com

Mailing Address for Overnight Payments of Assessments
PO Box 712
Arnold, CA 95223

Annual Assessment Increase. As of January 1, 2021, the Blue Lake Springs Homeowners' Association's annual assessment will be \$772.00 for all properties and all Associate Memberships.

Payment Plan. If a member wish to establish a payment plan they will need to contact CID.

Major Component Repairs. The Association does not anticipate and has not decided to defer or not undertake repairs or replacement of any major components with a remaining life of 30 years or less.

Reserve Funding Mechanism. The Associations annual contribution to the reserve fund for **2021 Annual Reserve Contribution \$75,000.**

Secondary Address. California Civil Code §5260 and §4040(b) gives members the right to submit a request for notice to be sent to a secondary address. Send such request to the Association office with Attn. Secondary Address Request.

Outstanding Loans. At the time of this disclosure the Association is not seeking any loans.

General Notices Location. General notices for the Association are posted on bulletin board in Snowflake Lodge dining room and on the Association website.

Right to Individual Delivery. Members option to receive the general notice by other means, in addition to the General Notice Location in accordance with California Civil Code §4045(b)

Right to Minutes. California Civil Code §4950(b) Board meeting minutes are available on the Association website and by email. The minutes shall be available to members within 30 days of the meeting. Copies will be sent to a member upon reimbursement of the Association's cost for the distribution.

Architectural. Refer to the Association CC&Rs Article II Section 1 Architectural Review Committee second paragraph.

Rules Enforcement Policy. Refer to the Association CC&Rs Article I Section 1 Blue Lake Springs Homeowners Association and Mutual Water Company paragraph (f). Attached is the Association Violation and Fining Policy, Schedule of Fines.

Special Assessment. As of October 17, 2020, the Blue Lake Springs Homeowners' Association's Board of Directors does not anticipate a Special Assessments for 2021. Per Civil Code §5615

Emergency Assessment. Civil Code §5610. Emergency Assessment Requirements.

Litigation. As of November 30, 2015 The Blue Lake Springs Homeowners' Association is in litigation with a member due to the interpretation of the CC&Rs and how assessments are levied on multiple lot owners. The lawsuit was filed in Calaveras County Superior Court. The Case number is 15CV40810, a copy of the lawsuit is kept on file in the Association office for any member wishing to review it. The Association in May of 2018 prevailed in the law suit. As of September 7, 2018, plaintiff is appealing the ruling. As of October 19, 2019, the appeal is still in process.

Annual Insurance Disclosure;

Name of Insurer: Philadelphia Insurance Company & CALFIR Plan for Fire

Policy Limits: **Commercial Excess Liability (Umbrella) Insurance Policy**

Aggregate Limits of Liability: \$4,000,000
\$4,000,000

Coverage A – Bodily Injury and Property

Damage Liability: \$4,000,000

Coverage B – Personal and Advertising

Injury Liability: \$4,000,000

Amount of Deductible: \$1,000

Date Policy Begins: 01/01/2021

Date Policy Ends: 12/31/2021

THIS SUMMARY of the Association's policies of insurance provides only certain information as required by 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.

**SUMMARY OF ALTERNATIVE DISPUTE
RESOLUTION REQUIREMENTS
(Civil Code 5925-5965)**

1. An association, owner or member of an association may not file an action in Superior Court seeking either:
(a) declaratory or injunctive relief to enforce the governing documents, the Davis-Stirling Common Interest Development Act, or the Corporations Code, or (b) in conjunction with a claim for \$7,500 or less (other than assessments), unless the parties have endeavored to submit their dispute to alternative dispute resolution (ADR), which includes mediation, arbitration, conciliation, or other non-judicial procedure that involves a neutral party in the decision-making process. The ADR process may be binding or non-binding.
2. This requirement does not apply to disputes within the jurisdiction of the Small Claims Court or disputes over assessments.
3. The ADR process is commenced by one party serving the other party with a Request For Resolution. It must contain the following:
 - a. A brief description of the dispute;
 - b. A request for ADR; and
 - c. A notice that the party receiving the Request For Resolution must respond within 30 days or the Request For Resolution will be deemed rejected.
 - d. If the person on whom the Request For Resolution is served is an owner, a copy of the statutes governing ADR. Civil Code 5925-5965.
4. Service of the Request For Resolution may be by personal delivery, first-class mail, express mail, facsimile or other means reasonable calculated to give the other party actual notice.
5. A party served with a Request For Resolution has 30 days to accept or reject the request. Failure to accept or reject is deemed a rejection.
6. If the Request For Resolution is accepted, ADR must be completed within 90 days from the date of acceptance. The deadline can be extended by a written agreement among all parties.
7. The costs of ADR shall be shared by the parties.
8. The time to file a civil action is suspended while ADR is pending.
9. Refusal to participate in ADR may result in the loss of the right to recover attorney fees in a subsequent Superior Court action.

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

**BLUE LAKE SPRINGS HOMEOWNERS' ASSOCIATION
CHARGES FOR DOCUMENTS PROVIDED AS REQUIRED BY SECTION 4525***

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

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

Property Address _____

Owner of Property _____

Owner's Mailing Address _____

(If known or different property address.)

Provider of the Section 4525 Items:

Print Name Position or Title Association or Agent Date Form Completed

Check or Complete Applicable Column or Columns Below

<u>Documents</u>	<u>Civil Code Section</u>	<u>Included</u>	<u>Not Available (N/A) or Not Applicable (N/App)</u>	<u>Fee</u>
Articles of Incorporation or statement that not incorporated	Section 4525(a)(1)			\$2.05
CC&Rs	Section 4525(a)(1)			\$5.05
Bylaws	Section 4525(a)(1)			\$7.30
Operating Rules	Section 4525(a)(1)			\$0.00
Age restrictions, if any	Section 4525(a)(2)		N/App	\$0.00
Pro forma operating budget or summary, including reserve study	Section 4525(a)(3)			\$1.80
Assessment and reserve funding disclosure summary	Section 5300 and 4525(a)(4)			\$1.55
Financial statement review	Section 5305 and 13684525(a)(3)			\$2.30
Assessment enforcement policy	Section 53110 and 13684525(a)(4)			\$1.80
Insurance summary	Section 5300 and 4525(a)(3)			\$1.55
Regular assessment	Section 4525(a)(4)			\$1.55
Special Assessment	Section 4525(a)(4)			\$1.55
Emergency assessment	Section 4525(a)(4)			
Other unpaid obligations of seller	Section 5675 and 4525(a)(4)			
Approved changes to assessments	Section 5300 and 4525(a)(4),(8)			
Settlement notice regarding common area defects	Section 4525(a)(6),(7) and 6100			
Preliminary list of defects	Section 4525(a)(6), 6000, and 6100			
Notice(s) of violation	Section 5855 and 4525(a)(5)			
Required statement of fees	Section 4525			
Most recent 12 months of minutes	Section 4525(a)(10)			\$14.30
Total Fees for these documents				\$42.35

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

BLUE LAKE SPRINGS HOMEOWNERS ASSOCIATION

VIOLATION AND FINING POLICY, SCHEDULE OF FINES

This document sets forth the Blue Lake Springs Homeowners Association's (the "Association") policy for imposing sanctions for violations of the Association's Governing Documents and its Schedule of Fines, pursuant to California Civil Code section 5850(a) and the Association's Bylaws and Declaration of Covenants, Conditions and Restrictions ("CC&Rs").

1. Authority of the Association'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 Blue Lake Springs development (the "Development"), the Common Area, and the personal conduct of Owners and residents, members of their household, pets, tenants, invitees and guests (i.e., the "Rules"), and to take such steps as it deems necessary for the enforcement of the Rules and other Governing Documents.

2. Member Responsibility. Each Owner is a Member of the Association and is responsible for complying, and for their family members', tenants', invitees', guests', and household members' (each a "Non-member Party") complying, with the Governing Documents. Owners shall give their tenants, if any, copies of the Governing Documents, including the Rules and any amendments as they are adopted. In the case of a violation by a Non-member Party, the Association shall notify the responsible Owner, and any disciplinary action for non-compliance will be imposed against that Owner.

3. Notice of Violation and Opportunity to Cure. The Board may provide a Member who has violated or who is responsible for a violation of the Governing Documents with written notice and may, depending on the nature of the violation, provide the Member a reasonable time to cure or correct the violation. Whether to provide such opportunity to cure or correct shall be within the sole discretion of the Board. 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 meeting at which the Board will consider its disciplinary options, including levying fines and suspension of membership rights

4. Violation of Law. The Association may treat any violation of state, municipal or local law by an owner in the same manner as a violation of the governing documents if the owner's violation creates a nuisance to other owners or to the Association.

5. Hearing Notice. At least ten (10) days before the meeting at which the Board will consider discipline of the responsible Member, the Board shall notify such Member in writing (the "Hearing Notice"). 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, and
- e. State that the Member is entitled to attend the meeting and to address the Board.

This notice will be given either by personal delivery or deposited in the United States mail, first class mail, postage prepaid, sent to the most recent address for the affected Member as shown on the records of the Association.

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

7. Imposing Disciplinary Action. The Board may impose one or more disciplinary actions if it determines at the meeting 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 (i) temporary suspension of membership rights, (ii) fines, and (iii) any other discipline authorized in the Governing Documents for such violation.

In the case of continuing violations, the Board may impose a fine and/or suspend rights once every thirty (30) days until the violation is remedied, provided that notice and the opportunity for a hearing are given each month. The Board may limit the scope of such hearing to facts and circumstances occurring subsequent to the previous Board hearing relating to the subject continuing violation. Repeated or habitual violations within a 30-day period, such as parking violations, shall not constitute a "continuing violation" but shall be a separate violation for each occurrence, and a fine or other sanction may be imposed for each and every separate violation, provided that notice and an opportunity for a hearing are given for each violation.

8. 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.

9. Schedule of Fines (Civil Code section 5850). 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, causing damage to Common Area, etc.

First violation:	\$100.00
Second instance of the same violation:	\$200.00
Third instance of the same violation:	\$300.00
Fourth and subsequent instance of the same violation:	\$400.00

** Excluding violations related to Article III, Section 3 "Tress and Vegetation"

Example: Failure to maintain appropriate defensible space

First violation:	\$500.00
Second violation:	\$1,000.00
Third violation:	\$1,500.00
Fourth and subsequent violations:	\$2,000.00

10. Penalties in Addition to Corrective Measures. The imposition of fines and suspension of use rights are in addition to the requirement that Members comply with the Governing Documents as required by the Board of Directors. Compliance may include, but is not limited to, correcting, repairing or replacing noncomplying conditions, all at the Member's cost.

11. Payment of Fines. Fines are due when imposed by the Board and are delinquent if not paid within fifteen (15) 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.

12. Other Remedies. The Association 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 alternative dispute resolution such as mediation or arbitration, entering a Lot to correct a violation, requiring or taking immediate corrective action with respect to property in cases of a bona fide emergency, seeking assistance from local law enforcement, city code compliance or similar public agencies as applicable, or bringing an action in court. Such remedies may be taken in addition to or in lieu of any action already taken, and commencement of one remedy shall not prevent the Association from electing at a later date to pursue another remedy.

Adopted by resolution of the Board 1999
Revised by the Board September 20, 2003
Revised by the Board September 16, 2017
Revised by the Board May 18, 2019

