

FOLSOM LAKE ESTATES HOMEOWNERS ASSOCIATION

2025 ANNUAL POLICY STATEMENT

California law requires that the Association make the following statements and disclosures to all Members annually:

Person Designated to Receive Official Communications to the Association

All official communications to the Association must be in writing and mailed or emailed to:

Susan Moss
Folsom Lake Estates Homeowners Association
P.O. Box 2041
Granite Bay, CA 95746

info@fleha.org

Right to Have Notices Sent to Two Different Addresses

Each Member has the right, upon request to the Association, to have notices from the Association sent to two different addresses. To have the Association send notices to two different addresses, you must submit a written request, which includes the following information, to the person designated to receive official communications to the Association:

1. The name of your Association,
2. Your name,
3. Your lot or unit number within the Development, and
4. Your second mailing address.

Mailing Address for Overnight Payment of Assessments

Folsom Lake Estates Homeowners Association
P.O. Box 2041
Granite Bay, CA 95746

Location for Posting General Notices

The Association shall post all General Notices on the back side of the Folsom Lake Estates community park sign.

Right to Receive General Notices by Individual Delivery

Each Member has the right, upon request to the Association, to have the Association deliver any notice or document required to be delivered by General Delivery pursuant to California Civil Code Section 4045, by Individual Delivery. To have the Association send you notices and documents by Individual Delivery, you must submit a written request, which includes the following information, to the person designated to receive official communications to the Association:

1. The name of your Association,
2. Your name,
3. Your lot or unit number within the Development, and
4. A statement that you are invoking your right to have notices and documents sent by Individual Delivery rather than by General Delivery.

Right to Receive Copies of Meeting Minutes

Meeting Minutes are posted on the Association's website at www.fleha.org. Each Association Member has the right, upon request to the Association, to obtain printed copies of the minutes of Board meetings (other than executive sessions of the Board). To obtain printed copies of such minutes, you must submit your written request, which includes the following information, to the person designated to receive official communications to the Association:

1. The name of your Association,
2. Your name,
3. Your lot or unit number within the Development, and
4. The date of the meeting for which the minutes are requested.

The Association is permitted to require Members to reimburse the Association for the Association's costs for providing printed copies of such minutes. That fee is hereby set at \$4.50 for one copy of one month's meeting minutes. Minutes are available for free on the Association website.

Electronic Communications Authorization Form

Members interested in receiving all Association correspondence, and any required disclosures that may be distributed by electronic mail under the law, by email, may complete the enclosed "*Electronic Communications Authorization Form*" and return it to the person designated to receive official communications to the Association.

Liens for Non-Payment of Annual Association Assessment

The Homeowners Association annual assessment of \$350 is due by February 1, 2025. If not postmarked by February 1, 2025, then the annual fee of \$350.00, plus a 10% late fee, for a total of **\$385.00**, will be due. Payment received without the late fee will be tracked, and the unpaid fee will be added to the amount owed in the member's 2025 assessment. A 10% penalty fee will be added to the annual assessment on a yearly basis until paid in full.

If the annual fee + 10% penalty (\$385) are not received by May 1, 2025, a certified letter will be sent advising the member of the lien process that will be initiated by Folsom Lake Estates Homeowners Association. An additional penalty fee of **\$300.00** will be added to the amount owed, along with any other costs related to the filing of a lien.

Association's Assessment Collection Policies

NOTICE ASSESSMENTS AND FORECLOSURE

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

ASSESSMENTS AND FORECLOSURE

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure, or without court action, often referred to as nonjudicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or nonjudicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months delinquent, an association may use judicial or nonjudicial foreclosure subject to the conditions set forth in Article 3 (commencing with Section 5700) of Chapter 8 of Part 5 of Division 4 of the Civil Code. When using judicial or nonjudicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections 5700 through 5720 of the Civil Code, inclusive)

In a judicial or nonjudicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use nonjudicial foreclosure to collect fines or penalties, except for costs to repair common area

damaged by a member or a member's guests, if the governing documents provide for this. (Section 5725 of the Civil Code)

The association must comply with the requirements of Article 2 (commencing with Section 5650) of Chapter 8 of Part 5 of Division 4 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association. (Section 5675 of the Civil Code)

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail, including a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt. (Section 5660 of the Civil Code)

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

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

PAYMENTS

When an owner makes a payment, the owner may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person who received it. The association must inform owners of a mailing address for overnight payments. (Section 5655 of the Civil Code)

An owner may, but is not obligated to, pay under protest any disputed charge or sum levied by the association, including, but not limited to, an assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise.

An owner may dispute an assessment debt by submitting a written request for dispute resolution to the association as set forth in Article 2 (commencing with Section 5900) of Chapter 10 of Part 5 of Division 4 of the Civil Code. In addition, an association may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 3 (commencing with Section 5925) of Chapter 10 of Part 5 of Division 4 of the Civil Code, if so requested by the owner. Binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.

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

MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a time-share interest may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exists. (Section 5665 of the Civil Code)

The board must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment. These payment plans must conform with the payment plan standards of the association, if they exist. (Section 5665 of the Civil Code)

Summary of Dispute Resolution Procedures

INTERNAL DISPUTE RESOLUTION PROCESS

(Civil Code Sections 5900 - 5915)

California Civil Code Sections 5900 - 5915 require an association to provide a fair, reasonable, and expeditious procedure for resolving certain disputes between the association and a member. The following procedure, which may be invoked by either party to a dispute, shall apply:

1. The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be in writing.
2. A member of an association may refuse a request to meet and confer. The association may not refuse a request to meet and confer.
3. The board shall designate a director to meet and confer.
4. The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute. The parties may be assisted by an attorney or another person at their own cost when conferring.
5. A resolution of the dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the board designee on behalf of the association.
6. A written agreement reached under this section binds the parties and is judicially enforceable if it is signed by both parties and both of the following conditions are satisfied:

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

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

ALTERNATIVE DISPUTE RESOLUTION SUMMARY (Civil Code Sections 5925 - 5965)

California Civil Code Sections 5925 - 5965 address your rights to sue the association or another member of the association regarding the enforcement of the governing documents. The following is a summary of the provisions of Civil code Section 5925 - 5965:

In general, Civil Code Sections 5925 - 5965 encourage parties to certain disputes involving enforcement of an association's governing documents to submit the dispute to a form of alternative dispute resolution (ADR) such as mediation or arbitration prior to filing a lawsuit. The form of ADR may be binding or non-binding, and the costs of the ADR shall be borne by the parties.

Any party to a dispute may initiate the process of ADR by serving a Request for Resolution on all other parties to the dispute. A Request for Resolution must contain: (1) a brief description of the dispute between the parties, (2) a request for ADR, (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, and (4) if sent to the owner of a separate interest, a copy of Civil Code Sections 5925 - 5965. If the Request is accepted, the ADR must be completed within 90 days of receipt of the acceptance, unless otherwise agreed by the parties. Once a Request for Resolution is served, all applicable statutes of limitation are tolled as set forth in Civil Code Section 5945.

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.

The law requires the party filing a lawsuit for enforcement of the association's governing documents to file a certificate with the court stating that (1) ADR has been completed prior to the filing of the suit, or (2) ADR was not undertaken because one of the other parties to the dispute did not accept the terms offered for the ADR, or (3) ADR was not undertaken because preliminary or temporary injunctive relief is necessary. Failure to file this certificate can be grounds for dismissing the lawsuit.

Furthermore, while the prevailing party in any lawsuit to enforce the governing documents shall be awarded attorneys' fees and cost, under Civil Code Section 5960 the court may consider

whether a party's refusal to participate in ADR was reasonable when it determines the amount of the award.