

BLUE LAKE SPRINGS HOA

2018 TREASURER'S REPORT

Dear BLSHOA Members,

The 2018 annual homeowner's assessment for each of our 2002 lots and 30 associate members will increase to \$714.00 per year. Managing our BLSHOA annual budget is our greatest fiduciary responsibility, and is managed with the greatest care and respect. Historically, prior years' assessments have not met the growing necessity required to adequately sustain, grow, and protect the memberships' amenities investment. The 2018 annual increase of 18.03 %, while substantial it will effectively enable your HOA to efficiently operate, improve, maintain, and fund our excellent amenities package for our Blue Lake Springs membership.

Summarized below are a few important issues, but not all, addressed by the Finance Committee and approved by your Board of Directors:

- An ongoing Member's lawsuit is budgeted at \$100,000.00.
- Our Major Asset Reserve Account, Policy 500-A-17, required by California's Davis Sterling Act, allows us to annually reserve funds in order to repair or replace physical assets as required. Complying with the law, your Board utilizes a 30-year Asset Review and Reserve Forecast, which is a living document and reviewed annually. The BLSHOA Asset Reserve Fund remains underfunded in spite of an existing Funding Plan and the Board's earnest efforts. The Funding Plan's revised and stronger path forward for the next several years, enables the HOA to not only maintain needed physical asset replacements, but will "grow" our Asset Reserve Account funds. The 2018 budget will contribute \$150,000.00 to that account. This increase insures adequate reserves on hand, and most importantly will grow our funds to reach a 50 per cent funded level over the next 7 to 10 years, while protecting and preserving the membership's physical asset values.
- Our Operating Reserve Fund, Policy 500-A-35, is funded at \$86,686.00. This fund addresses all asset components valued at less than \$1,000.00 each
- Adhering to California's minimum wage law has resulted in a 4.75% overall increase in the hourly wage category.
- The important Fly-In Lake dredging project is budgeted at \$85,000.00.
- The removal of HOA dead trees is budgeted at \$10,000.00.

Your Board of Directors consistently applies a very responsible business approach to each year's budget and annual assessment. We commit to you that we will efficiently and effectively manage HOA funds in the best possible fiduciary manner for all of our members.

Respectfully,



Treasurer: Guy Pollak

BLSHOA Board of Directors

BLUE LAKE SPRINGS HOMEOWNERS' ASSOCIATION

Summary Pro Forma Budget for the Fiscal Year January thru December 2018

The Blue Lake Springs Homeowners' Association Board of Directors has conducted a review of the annual assessment requirements for the 2018 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 2018 will be \$714 per lot. All sums are due January 1, 2018, and are considered delinquent if not paid by May 1, 2018. Payments received after May 1, 2018, will accrue a 1% interest charge per month (12% per annum) computed on the past due balance.

A Pro Forma Operating budget for 2018 will be available to any member after January 1, 2018. 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, 2018

INCOME:	Annual Assessment	\$ 1,449,444
	Administration Income	\$ 53,570
	Interest Income	\$ 3,516
	Recreation Fees & Sales	\$ 89,065
	Restaurant & Snack Bar	\$ 235,320
	TOTAL INCOME	\$ 1,830,915
EXPENSES:	Administration	\$ 546,607
	General Maintenance	\$ 387,018
	Utilities	\$ 79,321
	Security	\$ 69,005
	Recreation (Winter & Summer)	\$ 188,833
	Restaurant & Snack Bar	\$ 349,019
	Capital Improvements/Operating Fund	\$ 57,950
	Transfers to Reserve Funds	\$ 150,000
	Reserve Fund Interest	\$ 3,162
	TOTAL EXPENSES	\$ 1,830,915
BALANCE		\$0

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.

Assessment and Reserve Funding Disclosure Summary For the Fiscal Year Ending 2017

1) The current assessment for each lot owned is \$714.00.

Note: If assessments vary by the size or type of unit, the assessment applicable to this unit may be found on page ___N/A___ of the attached report.

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:

Date Assessment Is Due:	Amount Per Unit Per Month (If Assessments Are Variable, See Note Immediately Below):	Purpose Of The Assessment:
N/A		
	Total:	

Note: If assessments vary by the size or type of unit, the assessment applicable to this unit may be found on page ___N/A___ of the attached report.

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 or No

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?

Approximate Date Assessment Will Be Due:	Amount Per Lot Per Month:
N/A	N/A
	Total:

5) All major components are included in the reserve study, and are included in its calculations.

6) As of the last reserve study or update, the current balance in the reserve fund is \$1,652,799 based in whole or in part on the last reserve study or update prepared August 2017. The projected reserve fund cash balance at the end of the current fiscal year is \$316,184, resulting in reserve being 19.13% percent funded at this date.

If an alternate, but generally accepted, method of calculation is also used, the required amount is \$ ___N/A___.

7) Based on the method of calculation in paragraph (4) of Subdivision (b) of Section §5570 of Civil Code, the estimated amount required in the reserve fund at the end of each of the next five budget years is seen below, and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues.

Calendar Year	Annual Expenses	Projected Reserve Fund Balance End of Year	Percent Funded End of Year
2018	\$106,830	\$359,354	21.74%
2019	\$70,844	\$476,011	28.80%
2020	\$181,863	\$528,523	31.98%
2021	\$54,902	\$715,027	43.26%
2022	\$179,333	\$784,343	47.46%

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 0.70% per year, and the assumed long-term inflation rate to be applied to major components repair and replacement cost was 2.60%**

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, 2018, the Blue Lake Springs Homeowners' Association's annual assessment will be \$714.00 for all properties and all Associate Memberships.

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 Association's annual contribution to the reserve fund will be increased each year a minimum of 3% of the current year's contribution. This yearly increase to the annual contribution will insure the Association's reserve funds to adequately funded. 2018 Annual Reserve Contribution \$150,000.

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. The Association does not hold any outstanding 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 November 1, 2017, the Blue Lake Springs Homeowners' Association's Board of Directors does not anticipate a Special Assessments for 2018.

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.

Annual Insurance Disclosure

Name of Insurer: Travelers

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: **01-01-2018**

Date Policy Ends: **01-01-2019**

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

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:

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

9. Penalties in Addition to Corrective Measures. The imposition of fines and suspension of voting and 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.

10. 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.

11. 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

BLUE LAKE SPRINGS HOMEOWNERS ASSOCIATION
ASSESSMENT COLLECTION POLICY
Effective May 1, 1997

This document sets forth the Blue Lake Springs Homeowners Association's policy regarding the collection of assessments pursuant to the Association's Conditions, Covenants, and Restrictions, its Bylaws, and California Civil Code sections 1366 and 1367.

1. **Assessments in General.** The Association has a duty to levy regular and special assessments sufficient to perform its obligations under the governing documents and California law. Regular assessments are levied annually.
2. **Obligation to Pay Assessments.** Each assessment or charge is an obligation of the owner at the time the assessment or other sums are levied. Each assessment or charge is also a lien on the owner's lot from and after the time the Association causes a Notice of Delinquent Assessment to be recorded with the County Recorder's Office.
3. **Notice of Assessments.** Not less than thirty (30) days nor more than sixty (60) days before any increase in the annual assessment or any special assessment becomes due, the Association will give the owners notice of the assessment. Notice will be sent by first-class mail to addresses on the membership register as of the date of notice. The Board of Directors may elect from time to time to provide additional periodic statements of assessments and charges, but lack of such statements does not relieve the owners of the obligation to pay assessments.
4. **Designation of Agent.** The Board of Directors may designate an agent or agents to collect assessment payments and administer this Assessment Collection Policy. Such designated agent may be an officer of the Association, manager, banking institution, law firm or other appropriate agent.
5. **Due Date/Delinquency Date of Assessments.** Unless otherwise specified by the Board, an assessment is due on January 1st of each year. An annual assessment, or any portion thereof, is delinquent if it has not been received before May 1st of the year in which the assessment was levied. A special assessment, or any portion thereof, is delinquent if it has not been received as directed by the Board 15 days after the special assessment is due.
6. **Interest Charges.** The unpaid balance of an assessment account shall bear interest at the rate of 12% per annum (1% per month) calculated on the entire amount owed on the assessment account beginning on May 1st of the year in which the annual assessment was levied. A special assessment shall bear interest beginning on the 30th day after the special assessment was due.
7. **Interest and Collection Charges.** Any costs and fees incurred in processing and collecting delinquent amounts, including, without limitation, late and interest charges, charges for preparation of delinquency notices or referral for collection, postage and copies, and attorney's fees and costs, shall become an additional charge against the owner and the owner's lot and shall be subject to collection action pursuant to this policy.

8. **Application of Payments.** Payments shall be applied first to principal owed, then to interest and collection charges.

9. **Initial Delinquency Notice.** Once an assessment, or any portion thereof, has become delinquent, the owner shall receive an initial delinquency notice stating all amounts past due and any known collection charges imposed as of the date of the notice, which may be in the form of a letter, monthly statement, past due notice, or any other form of writing or notice from the Association or its designated agent.

10. **Notice of Intent to Record a Lien.** If an assessment account remains unpaid for 60 days after it is due, the Association or its designated agent may, without further notice to the owner, refer the account for collection. Following referral, the Association's agent for collection shall notify the owner by certified mail that a lien will be recorded against the owner's lot unless the entire balance of the account is paid within fourteen (14) days and shall provide an itemized statement of the charges owed as of the date of the notice, including the costs of the notice of intent. The agent for collection may require that payment be made in certified funds.

11. **Recording of Lien.** A lien shall be recorded if, within the time period allowed the owner to pay the entire balance of the account, the owner fails to pay the entire balance or to petition the Board of Directors in writing for a payment agreement pursuant to paragraph 13.0 of this Policy.

12. **Foreclosure.** Foreclosure proceedings may commence thirty (30) days after recording the lien on the property if either the entire balance of the account has not been paid or a payment agreement has not been entered into with the Association.

13. **Payment Agreement.** Neither the Association nor its designated agent has any obligation to accept partial payments on an assessment account. An owner may petition the Board of Directors in writing for a payment agreement to allow the owner to make periodic payments on the entire balance of the assessment account, in addition to the ongoing assessment payments, in amounts and on a payment schedule agreed to by the Board of Directors. The Association has no obligation to enter into such a payment agreement. Any agreement entered into with the owner shall be reasonable, as determined by the Board in its sole discretion, and for the sole purpose of assuring that the best interests of the Association are served. The payment agreement shall be in writing and a provision shall be included that failure to meet any term of the agreement shall give the Board the right to immediately continue the collection process without further notice to the owner.

14. **Recording of Release of Lien.** A release of lien will not be recorded until the entire balance of the owner's account is paid. All charges incurred in recording a Release of Lien, including reasonable attorney's fees, will be charged to the account.

15. **Dishonored Checks.** At any time that the Association or its designated agent receives a check dishonored by the bank for any reason, a charge of \$25.00 shall be imposed. The Board of Directors may immediately proceed with the collection process if the assessments are not paid within ten (10) days after notice of the dishonored check is sent to the owner. The Association may also seek damages in accordance with California Civil Code section 1719.

16. **Dispute of Charges.** If the owner questions the accuracy of the calculation of an account or the amount charged to the assessment account, a written objection to the specific charges must be made to the Board of Directors with thirty (30) days of the date notice is sent to the owner of the charge or balance. A telephone call will not reserve any rights. The disputed amount may remain unpaid during the investigation, but undisputed portions of the account must be paid before the delinquency date in order to avoid collection charges. No action will be taken to collect the disputed amounts until completion of the investigation and a decision is made by the Board of Directors, unless the Board determines the owner is acting in bad faith and takes action under paragraph 17 of this Policy. The owner must provide the following information in writing regarding any dispute:

- a. The owner's name, mailing address, and account number.
- b. The exact dollar amount in dispute or in error.
- c. For each charge or payment in dispute, an explanation of the reasons the owner believes there is an error, with sufficient detail such as dates, names and check numbers, so that the dispute may be investigated efficiently and effectively. If the owner does not know how the error was made, that statement may be made, but the dates and check numbers, etc., must be given.
- d. Copies of checks, letters or other documents referred to or claimed must accompany the written objection.

17. **Failure of Owner to Cooperate.** If at any time during the Board of Director's attempts to work with the owner to collect assessments, the Board believes that the owner is refusing to make a good faith effort to meet his or her assessment obligations to the Association, the Board may, in its duty to protect the interests of the Association and in addition to collecting the delinquent assessments pursuant to this Policy, choose to impose non monetary sanctions against the owner after notice and an opportunity for the owner to attend a hearing on the matter. The process commenced will include suspension of membership rights, including the right to use recreational facilities, and voting rights as allowed by California law and the Association's governing documents.

18. **Other Remedies.** The Association reserves the right to avail itself of any other remedy permitted by law and the Association's governing documents to collect assessments and related costs and charges, including but not limited to bringing an action in Small Claims, Municipal or Superior 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.

19. **Address of the Association and the Board of Directors.** Owners should respond in writing or make payments to the address as directed by the designated agent. If no address is given, responses and petitions should be mailed to the Association at the following address:

Board of Directors
Blue Lake Springs Homeowners Association
Post Office Box 712
Arnold, CA 95223-0712

20. **Sufficiency of Notice.** Except for notice that under California law must be sent by certified mail, notice is sufficient if either hand delivered or mailed first class, postage prepaid, to the owner at the address on the membership register at the time of notice.

21. **Void Provisions.** If any provision of this Policy is determined to be null and void, all other provisions of the Policy shall remain in full force and effect.