

# **GRASSY RUN HOMEOWNERS' ASSOCIATION**

## **OPERATING RULE 17-05**

### **DUES, ASSESSMENTS, AND COLLECTIONS**

WHEREAS, Article IV, Section 1(a) of the Declaration of Covenants and Restrictions (C&Rs) of the Grassy Run Homeowners' Association (GRHA or Association) provides that "The Owner, for each parcel owned by anyone in the properties hereby covenants and each owner of any lot or plot by acceptance of a deed therefore [sic], whether or not it shall be so expressed in any such deed or conveyance, shall be deemed to covenant and agree to pay to the Association: (a) Annual assessments or charges or dues;"

AND WHEREAS, Article IV, Sections 3 and 5 of the GRHA C&Rs provide that the Association may establish annual assessments and that it may change the maximum and basis of such assessments prospectively, provided that any such change shall have the assent of a majority of the vote of members voting in person or by proxy;

AND WHEREAS, Article IV, Sections 4 and 6 of the GRHA C&Rs provide that the Association may establish special assessments for specified purposes, provided that any such special assessment shall have the assent of a majority of the vote of members voting in person or by proxy;

AND WHEREAS, Article IV, Section 8 of the GRHA C&Rs provides that "the annual assessments provided for herein shall commence on the date fixed by the Board of Directors of the Association to be the date of commencement;"

AND WHEREAS, at the Annual Meeting of the Members of GRHA on April 13, 2013, a quorum being present and a majority of the Members so voting, that majority voted that the amount of the annual dues and assessments upon the Members of GRHA would be increased to the sum of \$600 per annum, and that said sum would be paid in semi-annual installments of \$300 each starting on July 1, 2013 and continuing thereafter on January 1 and July 1 of each succeeding year;

NOW, THEREFORE, the following Operating Rule No. 17-05 of GRHA is hereby promulgated and established, as follows:

#### **1. Purpose of Rule**

This rule is intended to govern the assessment of regular semi-annual or special assessments made by and/or for GRHA, and the collection of delinquent accounts pertaining thereto.

#### **2. Fiscal Year – Assessment Period**

The fiscal year of GRHA is January 1 through December 31. The regular semi-annual assessment dates are January 1 and July 1 of each year.

### 3. Annual regular Assessments / Dues

The annual dues and assessments for each parcel located within Grassy Run shall be, and are, \$600.00 per annum, unless and until otherwise established by a subsequent vote of a majority of the vote of eligible members of GRHA voting in person or by proxy, whether at its annual meeting or at a special meeting of said members called for that purpose. Collection of those annual dues and assessments shall be made on a semi-annual basis.

### 4. Regular and Special Assessments

GRHA's Treasurer shall distribute invoices to the parcel owners / members of GRHA not later than December 15 and June 15 for each year's regular semi-annual assessments. Payments in response thereto are due on January 1 and July 1 of each year, and are delinquent if not received, in full, by GRHA not later than February 15 and August 15 of each year.

Special Assessments are due on the date(s) specified upon imposition and each installment thereof shall be delinquent if not received by GRHA within forty-five (45) days after it is due.

As to any assessment that has not been paid within thirty (30) days of its due date, the Treasurer will send a notice of non-payment to the member responsible for said payment, reminding said member that the assessment will become delinquent if not paid by the forty-five (45) day delinquency date.

### 5. Payments

All payments received by GRHA, regardless of the amount paid, will be directed to the assessment balances first, until such time as all assessment balances are paid, and then to late charges, interest and costs of collection, unless otherwise specified by the Member making payment and agreed upon by the Board.

### 6. Payment Plan

A Member may submit a written request to meet with the Board to discuss a payment plan to satisfy a delinquent assessment, late charges, interest, and costs of collection. All such payment plans must provide for regular monthly payments beginning no later than the month following approval of the payment plan and ending with payment in full prior to the beginning of the following assessment period. During the payment period, interest will continue to accrue. However, additional late fees will not accrue during the payment plan period if the Member is in compliance with the terms of the payment plan. In the event of a default on any payment plan, the Board may initiate or resume formal collection efforts.

If the Member's written request is postmarked within 15 days of the postmark date of the Letter of Intent to File a Notice of Delinquent Assessment (Lien), the Board will meet with the member in closed session within 45 days of the postmark date of the request. If there is no regularly scheduled Board Meeting during that 45-day period, the Board may designate a committee of one or more Directors to meet with the Member.

7. Late Charges – Returned Payment Charges - Interest

GRHA will charge a late charge of ten dollars (\$10.00) or ten percent (10%) of the delinquent assessment, whichever is greater, on any delinquent assessment or delinquent payment due under an agreed payment plan.

GRHA will charge a "returned payment charge" of twenty-five dollars (\$25.00) for all checks returned as "non-negotiable", "insufficient funds" or for any other reason and for all unsuccessful electronic fund transfers. GRHA will also charge for all reasonable fees and costs of collection.

GRHA will charge interest on any delinquent assessment or payment due under an agreed payment plan at the rate of one percent (1%) per month, or at the maximum rate allowed by the law of the State of California, whichever is greater.

8. Letter of Intent to File a Notice of Delinquent Assessment (Lien)

If any portion of any such assessment, late charge, interest or cost of collection remains unpaid ninety (90) days after the original due date of the assessment, GRHA will prepare a Letter of Intent to file a Notice of Delinquent Assessment (Lien) and send it to the owner(s) of record by certified mail, return receipt requested.

9. Lien

If all such amounts have not been received ninety (90) days after the original due date thereof or thirty (30) days after the date of the Letter of Intent, whichever is later, and a payment plan has not been agreed upon, the Board will consider whether to instruct the Treasurer to prepare and record a Lien as to the delinquent property and the owner(s) thereof, and shall record its decision in the minutes of that meeting. The decision may not be delegated to an agent of the Association. All resulting collection fees and costs will be added to the total delinquent amount.

10. Additional Collection Remedies

If all such amounts have not been received, in full, within thirty (30) days after the recordation of such Lien, GRHA may, without further advance notice, proceed to take any and all additional collection remedies against the parcel owner as GRHA, in its sole discretion, deems appropriate, including, without limitation, suit for judicial foreclosure and/or money damages, attorneys' fees and costs.

GRHA will not attempt to collect delinquent regular or special assessments in an amount of less than one thousand eight hundred dollars (\$1,800), not including any accelerated assessments, late charges, fees, or costs of collection, attorney's fees, or interest, through judicial foreclosure. GRHA may not attempt to collect any such assessments, in any amount, through nonjudicial foreclosure.

11. Mailing Addresses

All above-referenced notices will be mailed to the record owner(s) at the last mailing address provided in writing to GRHA by such owner(s).


ADOPTED BY THE BOARD OF DIRECTORS OF THE GRASSY RUN HOMEOWNERS' ASSOCIATION at a regular meeting of the Board held on the 28th day of June, 2017, by the following vote of said Board:


AYES: 4

NOES: 1

ABSTENTIONS:     

ABSENTS:     

  
\_\_\_\_\_  
Jack Martin, President

  
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Vivian Abplanalp, Secretary

History: Board approved for distribution to Members 10/6/09 and distributed to Members 10/10/09 for comment at 11/24/09 Bd of Directors' meeting. Board adopted as unnumbered rule on 11/24/09.

Board approved amendment for distribution to Members 5/26/10 and distributed to Members 5/28/10 for comment at 6/30/10 Bd of Directors' meeting. Board adopted as unnumbered amended rule on 6/30/10.