

GRASSY RUN HOMEOWNERS' ASSOCIATION

PROPOSED RESOLUTION 17-03

**STATEMENT OF POLICY RE PROCEDURES FOR
ENFORCEMENT OF DELINQUENT ASSESSMENTS**

WHEREAS, Section 1 of Article IV of the GRHA Declaration of Covenants and Restrictions ("C&Rs) provides for the imposition of annual assessments and special assessments upon, and collection thereof from, the owners of each parcel within Grassy Run;

AND WHEREAS, that Section further provides that such assessments, "together with such interest thereon and the cost of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien on the property against which each such assessment is made," and that each such assessment plus interest and cost of collection "shall also be the personal obligation of the owner or person who was the owner of such property at the time when the assessment fell due";

AND WHEREAS, that Section does not require the recording of a lien document in order for such a lien to become effective;

AND WHEREAS, notwithstanding that fact, for many years, it has been the practice of the Board of Directors, at a cost of \$17 per recording, to cause liens to be recorded when delinquencies in the payment of such assessments occurred;

AND WHEREAS, as the result of SB-2 signed on September 29, 2017 and effective as of March 13, 2018, Section 27388.1 of the California Government Code was amended to add an additional \$75 to that recording fee, making a total recording fee of \$92 per lien;

AND WHEREAS, especially given the comparatively small amounts of assessments imposed by GRHA, in the absence of other extraordinary circumstances the Board deems it economically infeasible to record liens for delinquencies in the payment of such assessments until the amount of the delinquency has become sufficiently large to justify the expense of doing so;

AND WHEREAS, said Section 1 of Article IV also authorizes the

Board to initiate litigation to collect such delinquent assessments, but for similar reasons, in the absence of other extraordinary circumstances the Board deems it economically infeasible to initiate, and thus incur the costs of, litigation or other legal process to collect such delinquencies until the amount thereof has become sufficiently large to justify the expense of doing so;

NOW, THEREFORE, THE BOARD DOES HEREBY RESOLVE and set forth its policy with regard to the procedures by which it will authorize the recording of liens, and/or the initiation of litigation or other legal process, to collect delinquent assessments imposed pursuant to Section 1 of Article IV of the GRHA C&Rs, as follows:

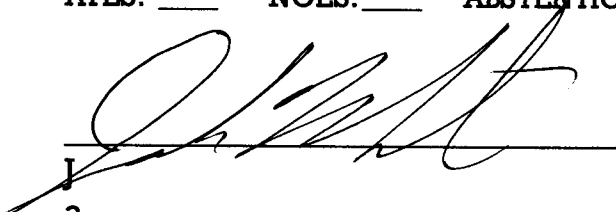
1. In the absence of extraordinary circumstances, no liens for delinquent assessments shall be recorded, unless and until the amount of such delinquency, including interest, penalties and recording fees, exceeds the lesser of (a) the sum of \$1,000, or (b) three consecutive defaults in payment;

2. In the absence of extraordinary circumstances, no litigation or other legal process to collect delinquent assessments, shall be initiated unless and until the amount of such delinquency, including interest, penalties and litigation filing fees, exceeds the lesser of (a) the sum of \$1,000, or (b) three consecutive defaults in payment;

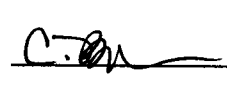
3. For purposes of the administration of this policy, the term "extraordinary circumstances" includes, but is not limited to, the making or exhibitions of statements or attitudes evidencing a defiance on the part of the parcel owner and/or his or her agent of the parcel owner's obligation to pay such assessments when due.

ADOPTED BY THE BOARD OF DIRECTORS OF THE GRASSY RUN HOMEOWNERS' ASSOCIATION at a regular meeting of the Board held on the 25th day of July, 2018, by the following vote of the Board:

AYES: _____ NOES: _____ ABSTENTIONS: _____ ABSENTS OR VACANCIES: _____



J
a
c
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M
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C. M.