



**DC Ranch Association
Board Report 8-2-2021 #3**

Subject Matter: Proposed Policy 108 (Suspension of Owner Voting Rights and Good Standing)

Background: The development of this policy was slated for 2021.

This proposed policy addresses the suspension of owner voting rights and good standing. This policy applies when owners are more than 90 days late on Association assessments and/or other charges, as well as failing to address non-conforming standards for which the owner was notified. Part of the policy provides direction from the CC&Rs regarding notices, hearings and appeals.

The Policy Committee met on July 12 to review the proposed policy; the Committee approves the policy as presented.

Section 102.4c of the Policy for the Management and Development of Policies reads as follows: *When the Policy Committee recommends a new policy or a change to a policy and prior to the Board's formal vote, community members shall be provided with a 30-day comment period, where they are afforded an opportunity to provide input and comment on the proposed policy. The proposed policy or policies will be posted on the community's website and notice regarding the posting will reflect in the weekly This Week on the Ranch e-mail to DC Ranch residents.*

The Board can conditionally approve this proposed policy and post it for the required 30-day member comment period. The policy can then be formally considered at the September 20, 2021 regularly scheduled board meeting.

Recommendation: Conditionally approve proposed Policy 108 and post for the 30-day member comment period.

A handwritten signature in black ink, appearing to read 'Darren Shaw', is written over a horizontal line.

Darren Shaw, Executive Director



**DC Ranch Association
Policy 108
Suspension of Owner Voting Rights and Good Standing**

Policy 108

Date of Adoption:

Effective Date:

Last Revised: July 13, 2021

108.1 Purpose: The purpose of this document is to define the suspension of Owner voting rights on all Association matters and Good Standing status.

108.2 Scope: This policy applies to Owners who are 90 days or more in arrears on Neighborhood or Ranch Master monthly assessments, or who are otherwise in violation of the Association's governing documents for 90 days or more.

108.3 Responsibility/Authority: The Ranch Association Board of Directors.

108.3a Delegation of Authority: The DC Ranch Association Board of Directors delegates some of its responsibilities to the Executive Director, such as the enforcement of the Association's governing documents.

108.4 Introduction: The Association's mission statement is as follows: To serve all DC Ranch Stakeholders through the professional management and protection of the community's fiscal and environmental assets. DC Ranch Association delivers high quality and consistent operations, landscape, maintenance and security services with an emphasis on customer care and open communication that result in sustained property values and an exceptional quality of life.

108.5 Definitions:

108.5a Common Area: Article 2, Section 7 of the Ranch Association CC&Rs defines Owner as "All real and personal property, including easements, which the Association owns, leases, or otherwise holds possessory or use rights in for the common use and enjoyment of the Owners."

108.5b Owner: Article 2, Section 9 of the Ranch Association CC&Rs defines Owner as “One or more Persons who hold the record title to any Unit but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Unit is sold under a Recorded contract of sale, and the contract specifically so provides, the purchaser (rather than the fee owner) will be considered the Owner.”

108.5c Unit: Article 2, Section 29 of the Ranch Association CC&Rs defines Owner as “A portion of the Ranch, whether improved or unimproved, which may be independently owned and is intended for development, use, and occupancy as an attached or detached residence for a single family. The term shall refer to the land, if any, which is part of the Unit as well as any improvements thereon. In the case of a building within a condominium or other structure containing multiple dwellings, each dwelling shall be deemed to be a separate construction, the parcel shall be deemed to contain the number of Units designated for residential use for such parcel on the Master Plan or the site plan approved by Declarant, whichever is more recent, until such time as a subdivision plat or condominium plat is Recorded on all or a portion of the parcel.”

108.5d Infraction: Any violation of the Association’s governing documents.

108.5e: Good Standing: When an Owner is not in violation of the Association’s governing documents (CC&Rs, Bylaws, Civil Code, Community Standards and Policies).

108.6 Authorities: Article 7, Section 5 of the Ranch Association CC&Rs provides that “Every homeowner and occupant of a Unit shall comply with the Ranch Governing Documents. The Board may impose sanctions for violation of the Ranch Governing Documents after notice and a hearing in accordance with the procedures set forth in the Bylaws, such sanctions may include, without limitation:” b) suspending an Owner's right to vote on all Association matters and c) suspending any Person’s right to use any recreational facilities within the common area Such sanctions may include, without limitation:

- Suspending an Owner’s right to vote on all Association matters.
- Suspending any Person’s right to use any recreational facilities within the Common Area, provided (the Board shall not limit ingress or egress to and from a Unit.
- Suspending any services provided by the Association to an Owner or the Owner’s Unit if the Owner is more than 30 days delinquent in paying any assessment or other charge owed to the Association.

108.7 Community Standards for Conduct: The Standards for Conduct provide that the Board may escalate penalties in certain circumstances, including the deactivation of gate transponders.

108.8 DC Ranch Association's Collection Policy (208): This policy provides the following language at 208.5c "At such time an Owner's account is deemed to be delinquent by ninety (90) days...the Owner's privileges such as voting and rental rights will be suspended."

108.9 Notice and Hearing Requirements: Article 3, Section 24 of the Bylaws provides that "The Association shall have the power, as provided in the Declaration, to impose sanctions for any violation of any duty imposed under the Ranch Governing Documents."

108.9a Notice: Prior to imposition of any sanction hereunder or under the Declaration, the Board or its delegate shall serve the alleged violator with written notice describing (i) the nature of the alleged violation; (ii) the proposed sanction to be imposed; (iii) a period of not less than ten days within which the alleged violator may present a written request for a hearing to the Board, if one has been appointed pursuant to Article V; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is begun within ten days of the notice. If a timely challenge is not made, the sanction stated in the notice shall be imposed; provided that the Board may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the ten-day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Person.

108.9b Hearing: If a hearing is requested within the allotted ten-day period, the hearing shall be held before the Board in executive session. The alleged violator shall be afforded a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the Person, who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator or its representative appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

108.9c Appeal: Following a hearing before the Board, the Owner shall have the right to appeal the decision to the Department of Real Estate.

108.10 Loss of Good Standing and Suspension of Services and Voting Rights: When an Owner becomes 90 days delinquent on the Association's monthly assessment, fine or penalty, or fails to remedy a violation of the governing documents within a 90-day period, after being given written notice regarding the violation and being provided the opportunity to appeal to the Board in accordance with the Association's Appeal Policy (109), the Owner's voting rights for all Association matters and good standing will be suspended until such time the infraction(s) has been resolved in accordance with the Association's governing documents.

108.10a Loss of Good Standing Sanction: These sanctions include but are not limited to the suspension of the following rights:

- Home rental privileges
- Use of all gate transponders
- Use of Common Area
- Use of recreational facilities
- Any opportunity to provide services to the Association, if the Owner is affiliated with a company or organization with which the Association does business.

108.11 NVM Voting Block Adjustment: Owners whose voting rights on all Association matters are suspended, shall be deducted from the total voting block count for NVMs.

Approved By: _____ Date _____
Board Secretary

Effective Date: _____