

# DECISION PAPER



April 27, 2019

**Issue:** Pending Suspension of Membership Rights and Authorization to Record Lien

## **Background:**

At the April Board meeting, our delinquent account policy prescribes those members who have failed to bring their assessment accounts current face suspension of their membership rights. That policy also calls for the recording of assessment liens against their Tahoe Donner properties, should their accounts remain delinquent after May 1, 2019. These actions are not only set forth in our policy and governing documents but are authorized by state law.

Members who still owed the regular assessment as of March were advised of this pending action. They were also given notice of their right to address the Board with regard to this contemplated action, and that their opportunity to do so would be at the April 27, 2019 Regular Board meeting. Suspensions imposed at the April 27, 2019 Regular Board meeting, after considering any presentations offered by members, will take effect on May 1, 2019. Along with suspending the members' ability to access the amenities as property owners, this will also disallow them from participating in the 2019 Directors Election, either as a voter or as a candidate.

Under the current Civil Code, the Board is required to specifically authorize the recording of assessment liens against members' properties, and that this responsibility cannot be delegated. Therefore, along with the proposed suspension of membership rights, the Board is being called upon to authorize the recording of such a lien if members remain delinquent with regard to the Regular Assessment as of the time when liens are being recorded – after May 1, 2019. It has been the practice of the Association to not record a lien if the amount of the delinquency does not exceed \$270.

Because the code now requires that the Board specifically authorize the lien recording, accompanying this memo (Attachment A), please find a listing of those properties (count 99) for which liens are indicated under our documents, policy and state law (to be recorded after May 1, 2019 if the delinquency is not brought current within that time). Out of courtesy to the affected members, the listing is by Unit/Lot number (customer number), which reflects the specific property involved.

## **Recommendation:**

The Elections Committee recommends that:

The Board consider any presentations made by members whose rights are subject to suspension and properties subject to lien recording in imposing these penalties;

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Unless the Board finds it appropriate to not proceed with such, to suspend the membership rights – voting rights, the right to seek a seat on the Board, and the right to access the amenities as a member – to be effective as of May 1, 2019 regardless of the amount of the delinquency.

May 1, 2019 being the record date for election voting and candidate eligibility determination purposes for the June 2019 board director's election. Suspension of all other rights reinstated upon member becoming current on amounts owed. Any owner on the attached list clearing the amounts owed between April 27<sup>th</sup> Board meeting and close of business April 30<sup>th</sup>, 2019 will be manually redacted (by Accounting) from suspension listing attached and considered eligible for voting rights and board director candidacy eligibility.

To authorize the recording of an assessment lien after May 1, 2019, against those properties for which the delinquent amount is owed, if the amount of the delinquency exceeds \$270 and remains unpaid as of the time recording is to take place.

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**Prepared By:** Dagmara Macierzank-Rung, Accounts Receivable and Michael Salmon, Director of Finance and Accounting

**CC:** Elections Committee

**Board Meeting Date:** April 27, 2019

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## ATTACHMENT A

Unit/Lot	Unit/Lot	Unit/Lot	Unit/Lot	Unit/Lot
01048000	11152000	03035002	06353000	11027000
11332000	50569000	03101000	07310000	11075000
01413000	02282000	03156000	08119000	11219000
09124000	04431000	03205000	08140000	70406000
06521000	01356000	03274000	08159000	03277000
09542000	06349000	03282000	08551000	08514000
08248000	08569000	03386000	09044000	04519000
03499000	09637000	04011000	09121000	09541000
08089000	09638000	04061000	09249000	01495000
09367000	09639000	04062000	09315000	05206000
11388000	06123000	04328000	09332000	11064000
04382000	03352000	04487000	09377000	11294000
02008004	05042000	04623000	09399000	03005000
05133000	01049000	05038000	09504000	11385000
11272000	01152000	05067000	09583000	08190000
04517000	01192000	05128000	10036000	03387000
06365000	01293000	05196000	10257000	10100000
02260000	01385000	05199000	10365000	06181000
04339000	01396000	06205000	10374000	09493000
07070000	02312003	06247000	11003000	