



Good Standing Policy
Resolution 03-20-29; Adopted April 21, 2020

I. Definition

For the purposes of the enforcement of the Mutual's Governing Documents, and the exercise by Mutual members of the rights and privileges appurtenant to such membership as further described in the Governing Documents, including without limitation, the Mutual's CC&Rs, Bylaws, and Operating Rules and other rules or policies that may be adopted by the Mutual from time to time, the term "***good standing***" shall mean that the member (or the member's unit(s), as may be applicable) is:

- Not delinquent in the payment of any assessment or related charge to the Mutual (including regular monthly assessments, special assessments, or reimbursement assessments) or other any other amounts owed to the Association, including, without limitation, payment of chargeable services, fees or costs required to be paid, or fines imposed against the member as a disciplinary measure for violation of the Governing Documents.
- Not currently in violation of the provisions of the Mutual's Governing Documents, including without limitation, in violation of any architectural or landscaping rules, policies or procedures, leasing or occupancy rules and requirements, vehicle registration requirements, or other similar ongoing-type obligations of members and their units.
- Not currently subject to disciplinary action imposed by the Mutual's Board of Directors (or a committee thereof) after a duly noticed hearing in accordance with the Mutual's hearing enforcement procedures for a violation of the Mutual's Governing Documents, including any suspension of membership privileges as may be permitted by law (such as amenity use), or ongoing or unpaid fines.
 - If a one-time fine is levied against a Mutual member for one or more violations without additional ongoing disciplinary action such as suspension of membership privileges, the member shall be restored to good standing upon receipt of payment of the fines by the Mutual.

II. Effect of Lack of Good Standing

A member who is not in good standing, due to a failure to meet any of the above-described criteria may be subject to certain restrictions, such as without limitation, in the use of the common area amenities, restrictions in the authority to rent their manor and/or refusal to

approve architectural requests, in accordance with the provisions of the Governing Documents.

a. Eligibility to Vote

In accordance with a new statute adopted pursuant to California Senate Bill 323, effective January 1, 2020, notwithstanding any provisions to the contrary within the Mutual's Governing Documents, including without limitation any provisions in the CC&Rs, the Bylaws and the Rules and Regulations, the Mutual may not suspend a member's voting rights for any election/vote subject to Civil Code Section 5100 et seq. and subject to the Mutual's Election Rules (a "**Subject Election**") as a disciplinary measure or otherwise restrict a member from voting in any such election for any reason other than that such member was not a member at the time the voting ballots were distributed.

Notwithstanding the foregoing, in accordance with the Mutual's Bylaws, any member who is more than thirty (30) days delinquent on the payment of any sums due to the Mutual (including, without limitation, any assessment, late fee, or cost of collection relating to same; chargeable service or other required fee, or fine imposed by the Mutual against the member) in excess of one hundred dollars (\$100) as of the date of the distribution of ballots for voting on any matter that is not a Subject Election, shall be ineligible to vote in such election.

In addition, any member who has had his/her/its voting privileges for non-Subject Elections suspended as a disciplinary measure for violation of the Governing Documents after a noticed hearing before the Board in accordance with the Mutual's hearing and enforcement procedures as of the prescribed record date for voting on the matter before the membership or Board election, as may be applicable, shall be ineligible to vote in such election; *provided, however, that such voting rights suspension shall only apply to any non-Subject Election*. According to Section 4.5.3 of the Mutual's Bylaws, any such suspension period shall not exceed one (1) year for any individual violation.

Any vote cast by an ineligible member in a non-Subject Election due to either the lack of good standing from unpaid sums owed to the Association or due to such member having his/her/its voting rights suspended as a disciplinary measure, shall be deemed void and shall not be tabulated or counted toward quorum.

b. Collection and Legal Action

A member who is delinquent in the payment of any sums owed to the Mutual, in addition to being ineligible to vote in non-Subject Elections and subject to other disciplinary measures that may be imposed by the Mutual after a noticed disciplinary hearing before the Board (or a committee thereof), shall also be subject to the Mutual's procedures for the collection of delinquent sums owed as described in the Governing Documents, including without limitation the Collection and Lien Enforcement Policy, which may include the exercise by the Association of its lien

rights, foreclosure action, and/or other legal action against the member to collect the amounts owed to the Mutual.

c. Other Disciplinary Measures

In addition to the foregoing disciplinary and enforcement procedures, a Mutual member (or such member's unit(s)) determined to be in violation or to have committed a violation of the Mutual's Governing Documents after a duly noticed disciplinary hearing before the Board (or a committee thereof) may also be subject to other disciplinary measures in accordance with the Mutual's enforcement procedures, including, without limitation the imposition of fines in accordance with the Mutual's Schedule of Monetary Penalties, the suspension of the member's (or the member's guests, residents, and invitees) privilege to use amenities controlled by the Mutual for a period not to exceed ninety (90) days for each violation, a referral to GRF for potential suspension of the use of GRF operated facilities, and the suspension of the member's right to lease his/her/its unit for a specified period.

III. Good Standing and Eligibility to Serve on the Board

In addition to the foregoing actions and disciplinary measures to which a member not in good standing is subject, due to violations by a member, the member's unit, or the member's guests, residents, and invitees, a member's lack of good standing may also impact such member's eligibility to be a candidate for election to the Board.

In accordance with Section 6.2.4 of the Mutual's Bylaws and Civil Code Section 5105, no Mutual member will be eligible to be a candidate for election to the Board of Directors or to serve as a director on the Board of Directors who is more than thirty (30) days delinquent in the payment of any regular or special assessment sums due to the Mutual (this does **not** apply for any late fees, interest or costs of collection relating to same, chargeable service or other required fee, fines, or reimbursement assessment which was recharacterized as a fine, imposed by the Mutual against the member) as of the prescribed record date for voting for the election of the Board. Notwithstanding the foregoing, a candidate or Board Member shall not be disqualified to serve for failure to remain current in the payment of regular or special assessments if such member has paid said amounts under protest or entered into a payment plan with the Mutual for the repayment of such amounts.

Any member who is ineligible to serve as a candidate for election to the Board will have their nomination rejected by the Mutual, and such member's name and candidate information will not appear in the election ballot package. In the event it is determined that a candidate is not eligible after the distribution of the ballots, any votes for such candidate will not be counted thereby invalidating a member's ability to be seated for same. Any currently serving Board Member who becomes ineligible to serve pursuant to this Policy, the Mutual's other Governing Documents, or applicable statute may be removed by the remainder of the Board from such director position.