



APPENDIX III
RULES AND PROCEDURES
FOR ELECTIONS AND VOTING



Rules and Procedures for Elections and Voting

These rules, policies and procedures apply to the items legally requiring a vote of the membership (“Owners”) as defined by Civil Code §1363.03, and any amendments thereto, including but not limited to, elections of directors, all votes to remove one or more directors, all votes on assessments, amendments of the Governing Documents, grants of exclusive use of common areas, and such other votes the Board determines should be conducted by secret ballot.

As described in these Rules and Procedures, votes may be cast by members in good standing in person, by proxy, or, by mail-in ballot.

1. Suspension of Voting Rights and Eligibility for Office. A member may be declared to be not in good standing and ineligible to vote or to be a candidate for the Board of Directors, for any period during which the member is delinquent in the payment of assessments in an amount equal to at least one month's assessment, and for a period exceeding thirty (30) days for an infraction of the Governing Documents. A finding of "not in good standing" may be made only following a "show cause" hearing where the member has been given ten (10) days prior notice setting forth the reasons for the suspension, and the member has been given an opportunity to be heard not less than five (5) days before the effective date of the suspension of voting rights. (Bylaws, Article V, Section 5.2) The “show cause” hearing will be held at an executive session one month prior to the election or voting, as the case may be.

2. Qualification and Nomination of Directors. In accordance with the Association’s bylaws, candidates eligible to run for election to the Board need not be members of the Association. (By-laws, Article VII, Section 7.1)

- a. The Association will publish a request for candidates, as the Board of Directors determines, approximately ninety (90) days prior to the date of the annual meeting. All persons desiring to be candidates for the Board of Directors must complete a Candidate’s Qualification Form and return the completed form to the designated person(s) on or before the deadline date noted on the form or accompanying materials in order to be placed on the ballot by the Association. Nominations from the floor will not be accepted. Candidates failing to submit a Candidate’s Qualification Form by the deadline date shall not have their names placed on the ballot or proxy, but may receive write-in votes.
- b. The Candidate’s Qualification Form submitted by each candidate will be enclosed with the notice of the annual meeting to be mailed approximately thirty (30) to sixty (60) days prior to the meeting. The Association will not edit the content of these forms, but will publish a



general statement of non-responsibility for the content of all published forms. Any candidate may request in writing that his or her form not be published as provided herein and the Association will honor any such request received prior to the date of publication of all forms. In any election for the Board of Directors, or other voting by the members, the Association will provide one opportunity to each candidate or member advocating a point of view, to publish a statement of reasonable length in the Association's newsletter or other media, if such exists at the time of the election.

- c. Except as provided in Paragraph 2.b, no Candidate's Qualification Form or other editorial or campaign material will be published in the Association's newsletter or other Association media.
- d. Nothing in these Rules and Procedures is intended to disallow a member from nominating himself or herself as set forth in Paragraph 2.a, above.
- e. As provided in the Association's bylaws, nominations for election to the Board of Directors may not be made from the floor during the annual meeting of members. (Bylaws, Article VII, Section 7.2)

3. Use of Common Area Facilities for Campaign Purposes. All candidates for election and other members may reserve the Association common area meeting space designated by the Board to conduct campaign activities or advocate a point of view on an election or balloting issue pending before the membership. All candidates and members will be provided an equal opportunity to reserve the Association's common area meeting space for these purposes. Reservations can be made by contacting the General Manager. No fees may be charged to any candidate or member for reservation of any common area meeting space to conduct campaign activities or advocate a point of view on an election or ballot issue pending before the membership. All candidates or members reserving the common area meeting space are asked to leave the area in a clean and undamaged condition.

4. Voting by Secret Ballot. In the announcement of any meeting at which an election will be held or other balloting conducted, the Board of Directors will announce the applicable voting period, including any deadline for submission of ballots. The Inspectors of Election will determine when and where ballots may be submitted and the time when the polls open and close at any meeting at which ballots are cast. The Inspectors of Election have the right to extend any voting deadline established for the return of ballots whenever the number of ballots is, or may be, insufficient to establish either a quorum or the minimum number of votes necessary to accomplish the particular action.



a. Ballots may be submitted at any time from the members' receipt of the ballot until the announced deadline or any extension thereof as set by the Inspectors of Election. Ballots returned by mail are to be returned to the General Manager unless otherwise specified by the Inspectors of Election and so noted in the ballot materials. Ballots may be brought to the membership meeting and deposited in the ballot box at the meeting so long as the time for the polls to close is after the time the membership meeting is scheduled to be called to order.

1) Whenever voting by secret ballot is conducted without a membership meeting being held, Inspectors of Elections have the right to review the number of ballots collected prior to the deadline for voting and inform the Board of Directors of the number of ballots received. The review of the number of votes cast and report to the Board of Directors must be made at the open meeting of the Board of Directors or members.

2) Once cast, secret ballots may not be revoked or changed, even if the member attends the meeting and seeks to change or withdraw his or her vote before the polls close.

3) Voting by proxy is permitted in any election or vote where a membership meeting will be held and voting will be allowed or tallied at the meeting; however, the Association may elect not to prepare and distribute proxies in any vote or election covered by Civil Code §1363.03. The responsibility to prepare and submit a proxy rests with the member seeking to authorize another member to vote by proxy.

4) The Board of Directors must set a record date establishing those members entitled to vote on any ballot. Should the Board fail to set a specific record date, the record date will be the date the ballot was posted by the Association in the United States mail.

5) In accordance with the Governing Documents of the Association, members are entitled to one vote per unit, except in the election of directors where cumulative voting is allowed. Cumulative voting for directors is permitted in any secret ballot for the election of directors.



- b. Ballots and two pre-addressed envelopes with instructions on how to return ballots will be mailed by first-class mail or delivered by the Association to every member not less than thirty (30) days prior to the deadline for voting. For the election of directors, ballots and voting envelopes will also be distributed at the annual meeting or other meeting of the members. In order to preserve confidentiality, a voter will not be identified by name, address, or lot, parcel, or unit number on the ballot. The Association will generally use as a model those procedures used by California counties for ensuring confidentiality of voter absentee ballots, including the following:
- 1) The ballot itself must not be signed by the voter, but will be inserted into an envelope that is to be sealed by the voter. This envelope is to be inserted into a second (outer) envelope that is sealed by the voter. In the upper left hand corner of the second envelope, the voter must print and sign his or her name, and address. The outer envelope must also indicate the voter's parcel or unit number that entitles him or her to vote.
 - 2) The second (outer) envelope is to be addressed to the Inspectors of Election, who will be tallying the votes. Ballots must be returned in the official envelopes provided in the mailing or they will not be counted. The envelopes are to be mailed or delivered by hand to the address specified by the Inspectors of Election.
 - 3) Ballot materials not completed in accordance with the instructions on or accompanying the ballot materials may result in the ballot being declared invalid, as determined by the Inspectors of Election. The Inspectors of Election have the right to count ballots submitted by members failing to complete all of the above requirements so long as all ballots with similar defects are treated equally and so long as the Inspectors are able to verify that only one ballot per voting unit has been submitted.
 - 4) The mailing of election materials may, but is not required to, include a proxy (see below, Paragraph 5) and return envelope for the proxy.
- c. The ballots for election of directors will be counted at the annual meeting if a quorum (simple majority) is established; otherwise, they shall be counted at a reconvened membership meeting scheduled not less than five (5) nor more than thirty (30) days later, at which a



reduced quorum of 25% of members is present in person, by ballot received, or by proxy. Ballots on other issues will be counted at the next scheduled meeting of the Board of Directors, following the expiration of the voting period, or at a membership meeting convened for that purpose. If an action proposed by the members requires a specific number of votes to be effective (e.g. amending the Governing Documents), then the action will not be effective unless that number of votes is received.

- d. Subject to reasonable restrictions established by the Inspectors of Election to prevent interference with, or intimidation of, the Inspectors during the tabulation of the ballots, any candidate or other member of the Association may witness the counting and tabulation of the votes.

No person observing the tabulation of the ballots may communicate or interfere with, or in any way attempt to intimidate, harass or abuse the Inspectors or other persons counting the ballots or assisting the Inspectors.

- e. Except as provided in Paragraph 3, no person, including a member or employee of the Association, may open or otherwise review any ballot prior to the time and place at which the ballots are counted and tabulated. The Inspectors of Election may authorize a postponement or extension of the counting of the ballots to another date and time, which must be open to the members. In case of a delay or extension of the time to complete the counting of the ballots, the Inspectors of Election will retain custody of all ballots until the count has been completed and the results reported to the Board of Directors.
- f. The results of the election will be reported promptly to the Board of Directors, recorded in the minutes of the next meeting and made available for review by members. Within fifteen (15) days of the election, the Board will publish the results of the election in a communication directed to all members.
- g. Ballots will be retained by the Association, or its designated agent, for a period of one (1) year following the election or voting deadline, as the case may be. At the conclusion of the one-year period, the ballots may, at the option of the Board of Directors, be destroyed.
- h. Each mailed secret ballot described in these rules, once received by



the Inspectors of Election, will be treated as a member present at a meeting for purposes of establishing a quorum.

5. Proxies. Voting by proxy is permitted in accordance with the provisions of Civil Code Section 1363.03 and the bylaws, although the Board of Directors need not prepare and distribute proxy forms with the voting materials. Proxies submitted to and accepted by the Association must conform to the requirements of the law. Proxies are not ballots and are not secret in that they will be reviewed by the General Manager or other designated representative prior to the meeting. Proxy holders must cast the proxy giver's vote by secret ballot. The instructions to the proxy holder do not count as a secret ballot.

- a. Under Civil Code §1363.03, proxies are to consist of two separate parts: 1) the designation of the proxy holder coupled with the scope and effective dates of the proxy; and 2) the instructions to the proxy holder on how to vote the ballot. Part 1 of the proxy must be returned to the Association or other location specified by the Inspectors of Election. Part 2 of the proxy is to be retained by the proxy holder.
- b. Civil Code §1363.03 provides that instructions given in a proxy that directs the manner in which the proxy holder is to cast the vote are to be set forth on a separate page from the proxy that can be detached and given to the proxy holder by the proxy giver (member). Any voting instructions prepared by the proxy giver are not to be returned to the Association. However, should the proxy giver do so, the voting instructions will, upon request, be given to the proxy holder when the proxy holder signs in at the meeting. Members acknowledge that returning voting instructions to the Association may result in Association representatives seeing how the member instructs his or her proxy holder to vote. The proxy holder shall cast the member's ballot by secret ballot. The instructions to the proxy holder shall not be counted as a ballot.
- c. Proxies are to be returned to the General Manager or other designated recipient prior to any deadline set by the Board of Directors for the return of proxies. Proxies received after the deadline set by the Board will not be counted but may be allowed at an adjourned and reconvened meeting as determined by the Inspectors of Election.
- d. The General Manager or other designated representative of the Inspectors of Election will register all proxies received by the Association and report any noted problems to the Inspectors of Election.
- e. In any election or voting procedure in which proxies are authorized, the



Inspectors of Election will be responsible for authenticating and determining the validity and effect of any submitted proxy.

6. Inspectors of Election. The Inspectors of Election may not be members of the Board of Directors or candidates for election to the Board or related to, or reside with, members of the Board or candidates for election to the Board.

The Inspectors of Election are to perform their responsibilities faithfully so as to ensure that the announced results of the voting represent the true and honest votes of the members casting ballots.

- a. Not less than ten (10) days and not more than ninety (90) days prior to the annual meeting at which the election of Directors takes place, for amendments to the Governing Documents, votes on assessments, votes to grant exclusive use of common areas to one or more members, or other votes of the membership as determined by the Board or required by law, the Board of Directors will appoint three Inspectors of Election to oversee and certify the results of the voting. A maximum of one of the three Inspectors of Election may be an employee of the Association. Any other qualified person or persons may also be appointed. Unless only outside consultants are engaged to serve as the Inspectors, at least one Inspector of Election must be a member of the Association, although all Inspectors of Election may be members of the Association if so appointed by the Board of Directors. If not members of the Association, Inspectors of Election may be compensated for their services. Members of the Association may not be compensated for serving as Inspectors of Election.
- b. The Inspectors of Election shall:
 1. Determine the number of memberships entitled to vote and the voting power of each;
 2. Determine the authenticity, validity and effect of proxies;
 3. Receive the ballots and determine the location to which all ballots are to be returned;
 4. Hear and determine all challenges and questions in any way arising out of, or in connection with, the right to vote;
 5. Count and tabulate all ballots;



6. Determine when the polls will close;
 7. Determine the results of the election or balloting;
 8. Report the results of the election or balloting to the Board of Directors within seven (7) days of the date the polls shall close;
 9. Perform such other acts as may be necessary to conduct balloting in fairness to all members and in accordance with the Governing Documents and all applicable laws.
- c. The Inspectors of Election may appoint additional persons to assist in performing any of the above duties, including employees of the Association provided that the persons are independent third parties.
 - d. The Board of Directors has the authority to remove and/or replace an Inspector of Election at any time if an Inspector resigns or whenever the Board determines that an Inspector will not be able to perform his or her duties impartially and in good faith or if the Inspector ceases to meet the qualifications to serve as described in Paragraphs 6 and 6.a., above.
 - e. The General Manager or the Board will provide the Inspectors of Election with a membership list accurate as of the record date established by the Board for voting eligibility and such other documents as may be necessary for the Inspectors to verify the results of the vote.
 - f. The Inspectors of Election have the authority to consult with the Association's legal counsel in the event of uncertainties in the interpretation or application of Civil Code §1363.03 *et seq.*, these Rules and Procedures, the Governing Documents or as might otherwise be necessary to ensure a fair election that complies with the law and the Governing Documents. All such consultations will be protected by the Association's attorney-client privilege and will be kept confidential from all persons other than the Board of Directors provided, however, that neither the Inspectors of Election nor the attorney will disclose to others, including the Board, how a particular ballot or proxy is to be, or has been, voted.

7. Election. Provided that a quorum is established at the membership meeting at which the election or removal of directors is held, the number of secret ballots returned to the Inspectors of Election, whatever the number might be, will determine the election of directors.



The number of votes necessary for the removal of a director or directors will be as provided in Corporations Code Section 7222 or any successor statute. A membership meeting for the purpose of removal also requires establishment of a quorum as set forth in Paragraphs 4. h. above. Secret ballots will be opened and counted only at a meeting of the members or Board of Directors at which a quorum of members or directors, as applicable, has been established.