

San Elijo Hills Community Association Election Rules

These Election Rules apply to all Member votes undertaken by San Elijo Hills Community Association (“Association”). These Election Rules shall be effective on the date of adoption, shall supersede any other rules of the Association affecting voting or elections, and shall remain in effect until modified by the Board of Directors (the “Board”).

ARTICLE 1 MEMBER VOTING RIGHTS

1.1 Member Voting Rights. Notwithstanding anything to the contrary in the Association’s governing documents, all Members shall be entitled to vote, and no Member shall be denied a ballot for any reason other than not being a Member. “Member” means a person who holds legal title to the separate interest (i.e., is named in the recorded deed for the separate interest property). The “separate interest” property means the lot owned by a Member.

1.1.1 Entity Owners. In the case of a Member that is not a natural person (such as a trust, corporation or other entity), the vote of such Member may be cast by any authorized representative of the Member designated by written notice to the Association.

1.1.2 General Power of Attorney. A person with general power of attorney for a Member, who has provided satisfactory evidence thereof, shall not be denied a ballot and said ballot shall be counted if returned by the deadline for voting.

1.2 Voter List. The Association shall maintain a “Voter List” which shall include for each separate interest: the Member’s name; voting power; and, unless the Member has “opted out” of electronic voting and would prefer a written ballot; and, unless the Member has “opted out” of the public distribution of their address, the physical address of the Member’s separate interest, or the parcel number, or both, and the mailing address of the Member if it is different than the physical address of the separate interest (or if the parcel number is used). Upon request, the Association shall permit Members to verify the accuracy of their individual information on the Voter List at least 30 days before the ballots are mailed. The Member shall report any errors to the Inspector of Elections who shall make the correction within two business days. The Association may, at its discretion, report any known errors to the Inspector of Elections. The Voter List shall be retained as “association election materials” as required by law.

1.3 Voting Power of Each Membership. On each matter before the Members, only one (1) vote shall be cast for each separate interest. Once a ballot is received by the Inspector of Elections, whether written or electronically, it may not be rescinded. Votes on behalf of a separate interest owned by more than one person or entity shall be treated as a single member for voting purposes. The vote for such separate interest shall be exercised as the owners among themselves shall determine, but in no event shall more than one (1) vote be cast with respect to any separate interest. If the joint owners of a separate interest are unable to agree among themselves as to how their vote is to be cast, they shall lose their right to vote on the matter in question. If any joint owner of a separate interest casts a vote representing the separate interest, it will thereafter be conclusively presumed for all purposes that such owner was acting with the authority and consent of the other owners of that separate interest.

1.4 Cumulative Voting. Cumulative voting is permitted in the election of directors.

1.5 Proxies. Use of proxies in connection with membership votes or membership meetings is expressly prohibited. "Proxy" shall mean a written authorization signed by a Member or a Member's attorney-in-fact giving another person or persons power to vote for such Member, as defined in Corporations Code section 5069.

1.6 General Power of Attorney. A Member may delegate their voting rights to a third party by use of a general power of attorney that conforms to the laws of the state in which the power is conveyed. The power of attorney must be returned to the Association at or before the casting of the ballot for which voting rights have been delegated.

ARTICLE 2 VOTING PROCEDURE

2.1 Notice of Election Information. At least thirty (30) days before the ballots are distributed, the Association shall provide general notice of all of the following: (i) the date and time by which, and the physical address where, ballots are to be returned by mail or handed to the Inspector of Elections; (ii) the date, time, and location of the meeting at which ballots will be counted; (iii) the "Candidate Registration List," as defined in Section 3.4 below; and (iv) electronic secret ballot information.

2.1.1 Electronic Secret Ballot General Notice. At least thirty (30) days before the deadline for Members to decide whether to "opt out" of voting by electronic secret ballot, the Association will provide notice of: (a) the Member's current voting method; (b) if the Member's voting method is by electronic secret ballot and the Association has an email address for the member, confirmation of the email address of the member that will be used for voting by electronic secret ballot; (c) an explanation that the member is required to opt out of voting by electronic secret ballot if the member elects to vote by written secret ballot; (d) an explanation of the procedures for opting out of voting by electronic secret ballot; and (e) the deadline by which the member is required to opt out of voting by electronic secret ballot if the member elects to exercise that right.

2.1.2 Electronic Election of Directors and Electronic Recall Elections. In addition to the above requirements, at least thirty (30) days before the ballots are distributed for an election of directors and/or recall election, the Association will also provide the date and time the electronic secret ballots will be transmitted to the electronic voting system and preliminary instructions on how to vote by electronic secret ballot at the beginning of the voting period.

2.1.3 Electronic Voting/Voting System Instructions. At least thirty (30) days before the election the Association must send out a notice to the Members that provides information on how to obtain access to the electronic voting system as well as how to cast a vote by electronic secret ballot.

2.2 Voting. The following matters must be conducted by secret ballot: (i) regular or special assessment increases (ii) election and removal of directors; (iii) amendment to the governing documents; (iv) grants of exclusive use of common area property pursuant to Civil Code section 4600; and (v) any other matters later designated by Civil Code as secret ballot voting measures. Of these foregoing, only a regular or special assessment increase vote must remain a written secret ballot vote unless otherwise required by law; the remaining items above may be conducted by secret electronic ballot.

For all other voting matters not referenced above, voting may be conducted by electronic ballots or written ballots, or a combination of both electronic and written. Further all other voting matters not referenced above are not required to be a secret ballot vote unless the Board of Directors so

elects, however all electronic secret ballot and written ballot notice and voting procedures described herein shall still apply.

2.3 Electronic Voting. The Association allows for voting in an election by electronic secret ballot.

2.3.1. A vote by electronic secret ballot is effective when it is electronically transmitted to an address, location, or system, designated by the Association and/or an inspector of elections.

2.3.2. A vote made by electronic secret ballot cannot be revoked.

2.3.3. For determining a quorum, a member voting electronically shall be counted as a member in attendance at the meeting. Once quorum is established, a substantive vote of the members shall not be taken on any issue other than the issues specifically identified in the electronic ballot.

2.3.4. Electronic ballots and written ballots must contain the same list of items being voted on.

2.3.5. The electronic voting system used by the Association and its Inspector of Election must be able to:

- (a) Validate a member's identity;
- (b) Authenticate the validity of each electronic secret ballot to ensure the electronic secret ballot is not altered in transit;
- (c) Transmit a receipt from the electronic voting system to each Member who casts an electronic secret ballot;
- (d) Permanently separates any authenticating or identifying Member information from the electronic secret ballot measures to make it impossible to connect an election ballot to a specific member; and
- (e) Store and keep electronic secret ballots accessible for the Inspector of Election or their authorized representatives to recount, inspect, and review, if necessary.

2.3.7. Opting Out of Electronic Voting. Members may opt out of electronic voting and may vote by written ballot, as described below, if a Member submits a written request to the Association's management company no later than ninety (90) days before an election. The Association will mail a written ballot to a Member who has opted out of electronic voting. If the Association does not have a Member's email address who has opted to vote by electronic secret ballot by the time the ballots are to be distributed, the Association will send that Member a written secret ballot.

2.3.8. Delivery of Text for Governing Document Amendments. The Association may send the text of any proposed amendment or restatement to the Governing Documents electronically to Members who are voting by electronic secret ballot. The Association will deliver a written copy of the text of the proposed Governing Document Amendment free of charge to any member who requests a written copy. If a Member votes for a Governing Document amendment by written secret ballot, the Association will deliver a written copy of the text with that ballot as required under Civil Code section 5105.

2.3.9. Voter List. The Association will maintain a voting list identifying which Members will vote by electronic secret ballot and which Members will vote by written ballot and include information on the procedures to opt out of voting by electronic secret ballot in the annual statement prepared pursuant to Civil Code Section 5310.

2.4 Distribution of Ballots. For a vote related to a regular or special assessment increase, a Member who opts out of electronic voting, OR for Members who do not provide the Association with a valid -email address, voting shall be conducted by written secret ballot using a “double envelope system” as described in *Civil Code* section 5115(a). Ballots and two envelopes with instructions on how to return ballots shall be mailed by first-class mail or delivered to all Members in such vote or election. Ballots shall be distributed within a minimum of thirty (30) days prior to the deadline for voting. These matters are: (i) elections regarding assessments legally requiring a Member vote, (ii) election and removal of directors, (iii) amendments to the governing documents, and (iv) grants of exclusive use of common area property pursuant to *Civil Code* section 4600.

For voting measures that do not have ballot distribution deadlines prior to any deadline for voting, ballots may be distributed at a reasonable time (which may be less than thirty (30) days) prior to the deadline for voting.

2.5 Frequency of Director Elections. The Association shall hold an election for a seat on the Board at the expiration of the corresponding director’s term and at least once every four years, or sooner if required by the Bylaws.

2.6 Extension of Voting. The Board shall be entitled to extend the deadline for the return of ballots one or more times due to the lack of a quorum or for such other reason(s) as the Board deems reasonable and prudent.

2.7 Tabulation and Observation. The Inspector of Elections shall open all ballots and tabulate the votes at a properly noticed open meeting of the Board or Members in a manner that allows the Members to view the opening and tabulation. The Inspector of Elections may appoint additional persons to assist in the opening of ballots and tabulation of votes. Observers must remain at least five (5) feet from the area of opening and tabulation and not communicate, harass, or otherwise interfere with the Inspector of Elections and/or those assisting the Inspector of Elections in any manner whatsoever. The Inspector of Elections or the Board shall have the power and authority to cause the removal of any person who interferes with or disrupts the voting, opening or tabulating process. The Inspector of Elections may suspend the opening and tabulation process if anyone causes interference with or disrupts the process. No member or managing agent shall open or otherwise review any tally sheet of votes cast by electronic secret ballots before the time and place at which the ballots are counted and tabulated.

2.6 Tie Vote. If there is a tie vote between or among candidates after the ballots of an election have been tabulated, then the tie shall be broken by a flip of a Quarter.

2.7 Reporting Election Results. The tabulated results of the election shall be promptly reported to the Board and shall be recorded in the minutes if reported at a meeting of the Board or recorded in the minutes of the next meeting of the Board if reported at a Member meeting. Within fifteen (15) days of the election, the Board shall give the Members general notice of the tabulated results of the election.

2.8 Retention of Association Election Materials. “Association election materials” shall mean the returned ballots, signed voter envelopes, the Voter List, proxies, and the Candidate Registration List. The association election materials shall at all times be in the custody of the Inspector of Elections or at a location designated by the Inspector of Elections for a period of one (1) year after the Inspector of Elections notifies the Board and Members of the election results, at which time custody shall be transferred to the Association. The Association shall retain the association election materials for the current fiscal year and prior two (2) fiscal years. At the expiration of the retention period all association election materials may be destroyed.

ARTICLE 3

CANDIDATES FOR THE BOARD AND NOMINATION PROCEDURES

3.1 Qualification of Candidates. Candidates for the Board must be Members at the time of their nomination and (i) must meet any other qualifications or restrictions set forth in these Election Rules and (ii) must meet any other qualifications or restrictions set forth in the Bylaws so long as they do not conflict with law. In the case of a Member that is not a natural person (such as a corporation or other entity), the entity Member shall have the power to appoint a natural person as the “Member” for purposes of director elections. The Association shall disqualify a nominee for the Board for any of the following reasons:

- 3.1.1 The nominee is not a Member.
- 3.1.2 If the nominee, if elected, would be serving on the Board at the same time as another owner of the same separate interest and the other person is either properly nominated for the current election or is an incumbent director.
- 3.1.3 If the nominee, at the time of nomination, is delinquent in the payment of regular and/or special assessments. A nominee shall not be considered “delinquent” if the delinquency relates to the payment of fines, fines renamed as assessments, collection charges, late charges, or costs levied by a third party and/or if the nominee: (a) has paid the regular or special assessment under protest; (b) has entered into a payment plan for repayment of the delinquent assessments and is not delinquent in payments due under the plan; or (c) the nominee has requested and has not been provided an opportunity to engage in internal dispute resolution.
- 3.1.4 If the nominee has been a member of the Association for less than one year.
- 3.1.5 If the nominee is not at least 18 years old.
- 3.1.6 If the nominee discloses, or if the Association is aware or becomes aware of, a past criminal conviction that would, if the Member was elected, either prevent the Association from purchasing the fidelity bond coverage required by Civil Code section 5806 or terminate the Association’s existing fidelity bond coverage.

3.2 Additional Board Member Qualification. Board members must complete any required filings of information that are or may be required by the State of California or federal government. These filings may require Board members to file their personal information including, but not limited to, their names, birth dates, home addresses, and/or driver’s license numbers, etc. Failure to comply with these laws will result in disqualification as a Board member or candidate for the Board.

3.3 Nominations.

- 3.3.1 Solicitation of Candidates. At least thirty (30) days before the deadline for submitting a nomination, the Association shall provide general notice of the procedure and deadline for submitting a nomination for the Board. Any Member who satisfies the qualifications and is not otherwise prohibited from running for the Board may place their name in nomination for the Board by submitting the nomination before the published deadline for receiving nominations. In addition, the Board may recruit qualified candidates and/or may appoint a nominating committee to nominate qualified candidates.

3.4 Candidate Registration List. The “Candidate Registration List” shall mean the list of candidates who will appear on the ballot. Upon request, the Association shall permit Members to verify the accuracy of their individual information on the Candidate Registration List at least thirty (30) days before the ballots are mailed. The Member shall report any errors to the Inspector of

Elections who shall make the correction within two business days. The Association may, at its discretion, report any known errors to the Inspector of Elections. The Candidate Registration List shall be retained as “association election materials” as required by law.

3.5 Notice of Known Candidates. The names of all persons on the Candidate Registration List shall be set forth on the ballot.

3.6 Candidacy Statements. Any candidate who wishes to submit a candidacy statement may only do so using the Association’s authorized form. The content of any candidate statement shall be limited to a statement of the candidate’s qualifications to serve as a director.

3.7 Declaration of Vacancy for Delinquency. Any Member serving on the Board shall be current in the payment of regular and special assessments or the delinquent director’s seat may be declared vacant by the Board following notice to the director and an opportunity to meet with the Board in executive session to explain why the director should not be disqualified. A director shall not be considered “delinquent” in the payment of assessments if the delinquency relates to the payment of fines, fines renamed as assessments, collection charges, late charges, or costs levied by a third party and/or if the director: (a) has paid the regular or special assessment under protest; (b) has entered into a payment plan for repayment of the delinquent assessments and is not delinquent in payments due under the plan; or (c) has requested and has not been provided an opportunity to engage in internal dispute resolution.

ARTICLE 4 VOTING BY ACCLAMATION

4.1 Voting by Acclamation. The Association may declare the outcome of uncontested elections without the need for balloting and can elect qualified candidates by acclamation. (See Article 3, Section 3.1 for definition of Qualified Candidate). The following requirements must be met for the Association to vote by acclamation:

4.1.1. Frequency of Elections to Vote by Acclamation. The Association must have held a regular election for directors in the last three (3) years to be able to vote by acclamation. (Civ. Code Section 5103(a)).

4.1.2. Number of Candidates. The number of qualified candidates for the election cannot exceed the number of vacancies on the Board to be elected. (Civ. Code Section 5103).

4.1.3. Notice of Nomination Submission Deadline. Notice for submitting nominations must be given at least ninety (90) days before the deadline for submitting nominations. The notice will include (a) the number of open positions on the Board, (b) the deadline to submit nominations, (c) how to submit nominations, and (d) a statement informing Members the seats can be filled by acclamation without balloting. (Civ. Code Section 5103(b)(1)).

4.1.4. Reminder Notice of Nomination Submission. A reminder notice will be sent to Members seven (7) days to thirty (30) days before the deadline to submit nominations. (Civ. Code Section 5103(b)(2)).

4.1.5. Acknowledgement of Nomination. The Association must provide acknowledgment of the nomination (i) to the Member who submitted the nomination and (ii) to the nominee that they either qualify or do not. If disqualified, the Association must include the reason for the disqualification and the nominee’s right to appeal. (Civ. Code Section 5103(c)). This acknowledgment must be sent within seven (7) business days of receiving a nomination. (Civ. Code Section 5103(c)).

4.1.6. Noticed Meeting to Vote by Acclamation. The vote by acclamation must take place at a noticed meeting with the name of each qualified candidate seated by acclamation included on the meeting's agenda. (Civ. Code Section 5103(d)).

ARTICLE 5 USE OF ASSOCIATION MEDIA AND CAMPAIGNING

5.1 Access to Association Media – Candidates for the Board. The Board may, but is not required to, make Association media (e.g., newsletter, notice board, website, or other notices provided to the Members) available to qualified candidates running for election to the Board for purposes that are reasonably related to the election in which that candidate is running. If the Board allows any candidate access to Association media, then all qualified candidates shall be allowed equal access to the same media.

5.2 Access to Association Media – Other Matters. If the Board utilizes Association media to advocate a point of view on any matter (other than election of directors) that requires Member approval or allows any Member access to Association media for that purpose, then all Members advocating a different point of view shall be allowed equal access to the same media. The Board shall not be required to allow access to more than one Member advocating the same point of view.

5.3 "Equal Access." "Equal access" shall mean publication of written statements not to exceed a predetermined length as determined by the Board. The Board shall not edit or redact any statement but shall not be required to publish any statement that exceeds the predetermined length restrictions. Modifications to formatting may be made so as to allow for space and/or media restrictions. If any formatting modifications should become necessary, they shall be applied equally to all submissions and at no time shall any formatting be applied that may signify a preference or partiality.

5.4 Responsibility for Content. All statements published in Association media pursuant to the "equal access" rules must identify the author or proponent. No anonymous statements will be permitted. The author and/or proponent of any statement or point of view shall be solely responsible and liable for the content of their statements. The Association shall not be responsible or liable for the content of any statement published pursuant to the "equal access" rules.

5.5 Campaigning. No Association funds shall be expended for the purposes of campaigning in connection with any vote or election other than those funds specifically required to distribute required correspondence, notices, or forms that may contain the names of candidates or necessary information on the issues being voted upon, or as is otherwise deemed by the Board to be necessary or appropriate for the fair and reasonable conduct of a vote or election, or to the extent necessary to comply with duties of the Association imposed by law. Specifically excluded is the expenditure of Association funds for the purposes of expressly advocating approval, election, or defeat of any matter or candidate.

ARTICLE 6 USE OF COMMON AREA MEETING SPACE

6.1 Access to Common Area Meeting Space – Campaigning by Candidates for the Board. The Board shall ensure that during a campaign all qualified candidates for election to the Board are given access to common area meeting space (if any) upon request, at no cost, for purposes reasonably related to their campaigns.

6.2 Access to Common Area Meeting Space – Other Matters. Whenever the Board places a matter before the Members which requires Member approval, the Board shall ensure that Members advocating a point of view on the matter are given access to common area meeting space (if any) upon request, at no cost, for purposes reasonably related to advocating their point

of view, whether or not they agree with the point of view advocated by the Board on the matter at issue.

6.3 All Access. Any use of the common area facilities for the purposes described above shall be regulated by any existing rules and regulations for such use. The Board, in its sole discretion, may reasonably limit a candidate's or Member's access to common area facilities in order to facilitate equal access for other candidates and Members, and so as not to unreasonably interfere with other Members' rights to use such facilities.

ARTICLE 7 INSPECTOR OF ELECTIONS

7.1 Appointment of Inspector of Elections. Whenever there is a membership vote or election, the Board shall appoint one (1) or three (3) Inspectors of Elections, hereinafter individually or collectively referred to as the "Inspector of Elections," whose powers and duties shall be as set forth in Civil Code section 5100 *et seq.* The Board shall have the power to remove an Inspector of Elections who ceases to meet the required qualifications, is unable or unwilling to perform their duties, or for other good reason, and to appoint a new Inspector of Elections in their place.

7.2 Qualification of Inspector of Elections. The Inspector of Elections may be any persons the Board reasonably believes to be independent with respect to the matter or matters being voted on and may include Members of the Association, but may not be (i) a member of the Board or a candidate for election to the Board or be related to a current member of the Board or a candidate for election to the Board or (ii) the Association's manager, accountant, legal counsel, or any other person, business entity, or subdivision of a business entity that is employed by or under contract with the Association to provide compensable services to it at and/or after commencement of the election process other than serving as Inspector of Elections.

7.3 Payment to Inspector of Elections. The Board may authorize payment of Association funds to any third party appointed to serve as Inspector of Elections; however, no payment may be authorized for any Member appointed to serve as the Inspector of Elections.

7.4 Duties of the Inspector of Elections. The Inspector of Elections shall be responsible to perform their duties as follows:

7.4.1 Perform those tasks enumerated in Civil Code section 5110(c); and

7.4.2 Perform all duties impartially, in good faith, to the best of the Inspector of Election's ability, as expeditiously as is practical, and in a manner that protects the interest of all Members of the Association; and

7.4.3 Make any necessary corrections to the Candidate Registration List or the Voter List within two business days of being informed of an error by a Member or by the Association; and

7.4.4 Deliver (or cause to be delivered) the following documents to the members at least thirty (30) days before an election: (a) the ballot(s) by first-class mail and (b) a copy of these Election Rules by (i) individual delivery or (ii) by posting the internet website address where these Election Rules may be accessed on the ballot together with the phrase in at least 12-point font, "The rules governing this election may be found here: engage.goenumerate.com/s/sanelijohills/ and

7.4.5 Retain the association election materials as provided herein.

7.4.6. Prior to the electronic voting period, the Inspector of Elections must provide Members with:

- (a) A way to authenticate the member's identity when accessing the electronic ballot;
- (b) A method to transmit an electronic secret ballot to the electronic voting system that ensures the secrecy and integrity of each ballot; and
- (c) A process to describe how they will confirm, at least 30 days before the voting deadline, that the Member's electronic device can successfully be used for electronic voting.

7.5 Indemnification of Inspector of Elections; Liability Insurance. The Association may, at the Board's sole discretion, indemnify the Inspector of Elections to the fullest extent provided by law. The Association shall have the power to purchase and maintain insurance to protect it and/or the Inspector of Elections against any liability asserted against the Association and/or against the Inspector of Elections arising out of the Inspector of Elections' acts and/or omissions relating to any Association vote or election.

ARTICLE 8 AMENDMENTS

The Board may amend these Election Rules from time to time except that these Election Rules may not be amended less than ninety (90) days prior to an election unless that amendment is merely to conform to non-discretionary changes in the law.

I, _____, am the Secretary of the San Elijo Hills Community Association, and certify that these Election Rules were duly adopted by the Board of Directors of the Association and came into effect on the ____ day of _____, 20__.

Secretary

_____, 20__
Date