

ARTICLE I

NAME AND LOCATION OF CORPORATION

SECTION 1. THE NAME OF THIS CORPORATION IS OSBORNE PARK, INC. ITS PRINCIPAL OFFICE IS LOCATED AT 2438-14 E. VISTA WAY, VISTA, CALIFORNIA 92084.

ARTICLE II

PURPOSE

SECTION 1. THE PURPOSE OF THIS CORPORATION IS TO PROVIDE ITS MEMBERS WITH SPACE FOR MOBILE HOMES AND COMMUNITY FACILITIES ON A NON-PROFIT BASIS CONSONANT WITH THE PROVISIONS SET FORTH IN ITS CERTIFICATE OF INCORPORATION.

ARTICLE III

MEMBERSHIP

SECTION 1. ELIGIBILITY ANY ADULT PERSON AS DEFINED BY THE FAIR HOUSING AMENDMENT ACT OF 1988 AND APPROVED BY THE BOARD OF DIRECTORS SHALL BE ELIGIBLE FOR MEMBERSHIP PROVIDED THAT:

(A) AT LEAST EIGHTY PERCENT (80%) OF THE HEADS OF HOUSE-HOLD BE 55 YEARS OF AGE. NO ONE UNDER THE AGE OF 45 MAY RESIDE IN THE PARK.

(B) A MEMBERSHIP AGREEMENT IS EXECUTED IN THE USUAL FORM EMPLOYED BY THE CORPORATION COVERING A SPECIFIC SPACE IN OSBORNE PARK, INC.

SECTION 2. APPLICATION FOR MEMBERSHIP APPLICATION FOR MEMBERSHIP SHALL BE PRESENTED IN PERSON ON THE OSBORNE PARK, INC. FORM AS PRESCRIBED BY THE BOARD OF DIRECTORS AND ALL SUCH APPLICATIONS SHALL BE ACTED UPON PROMPTLY BY THE BOARD OF DIRECTORS OF OSBORNE PARK, INC.

SECTION 3. APPLICATION FUNDS ALL SUCH FUNDS EXCEPT THOSE REQUIRED FOR CREDIT REPORTS RECEIVED FROM APPLICANTS SHALL BE DEPOSITED PROMPTLY IN A REGULAR ACCOUNT OF THE CORPORATION. THIS ACCOUNT WILL BE ESTABLISHED AT ANY ACCREDITED BANK WHOSE DEPOSITS ARE INSURED BY AN AGENCY OF THE FEDERAL GOVERNMENT, SUCH ACCOUNT MAY BE INTEREST BEARING, WITH THE INTEREST EARNED TO BE RETAINED AND OWNED BY THE CORPORATION. SUCH FUNDS SHALL BE SUBJECT TO WITHDRAWAL OR TRANSFER TO THE ACCOUNT OF THE CORPORATION OR DISBURSED IN A MANNER DIRECTED BY THE CORPORATION ONLY UPON CERTIFICATION BY THE PRESIDENT AND SECRETARY OF THE CORPORATION.

SECTION 4. MEMBERS THE MEMBERS SHALL CONSIST OF THE INCORPORATORS AND SUCH PERSONS AS HAVE BEEN APPROVED FOR MEMBERSHIP BY THE OPI BOARD AND WHO HAVE FULFILLED FISCAL REQUIREMENTS FOR MEMBERSHIP CERTIFICATES AS PRESCRIBED BY OPI THE STATUS OF THE INCORPORATORS AS MEMBERS SHALL TERMINATE AT THE FIRST ANNUAL MEETING OF MEMBERS UNLESS THEY HAVE EXECUTED MEMBERSHIP AGREEMENTS. THE AUTHORIZED MEMBERSHIP OF THE CORPORATION MAY NOT EXCEED TWENTY EIGHT (28) REGULAR MEMBERSHIPS, UNLESS ADDITIONAL SPACES ARE ADDED AT A FUTURE DATE, AT WHICH TIME THE MEMBERSHIP COULD NOT EXCEED FORTY EIGHT (48).

SECTION 5. MEMBERSHIP FEE EACH MEMBERSHIP SHALL PAY A MEMBERSHIP FEE AND ASSESSMENTS IN SUCH AMOUNTS AND AT SUCH TIMES AS SHALL BE DETERMINED BY THE OPI BOARD.

SECTION 6. MEMBERSHIP CERTIFICATE EACH MEMBERSHIP CERTIFICATE SHALL STATE THAT THE CORPORATION (OPI) IS ORGANIZED UNDER THE LAWS OF THE STATE OF CALIFORNIA, SIGNED BY THE PRESIDENT AND SECRETARY OF THE CORPORATION AND SEALED WITH THE CORPORATE SEAL.

SECTION 7. LOST CERTIFICATES THE OPI BOARD MAY DIRECT THE ISSUANCE OF A DUPLICATE CERTIFICATE IN PLACE OF ANY CERTIFICATE PREVIOUSLY ISSUED BY THE CORPORATION AND ALLEGED TO HAVE BEEN LOST OR DESTROYED, UPON THE MAKING OF AN AFFIDAVIT OF THAT FACT BY THE PERSON CLAIMING THE SHARE CERTIFICATE TO BE LOST OR DESTROYED.

SECTION 8. LIEN THE CORPORATION SHALL HAVE A LIEN ON THE OUTSTANDING REGULAR MEMBERSHIP IN ORDER TO SECURE PAYMENT OF ANY SUMS WHICH SHALL BE DUE OR BECOME DUE FROM THE HOLDER/HOLDERS THEREOF FOR ANY REASON.

SECTION 9. TRANSFER OF MEMBERSHIP EXCEPT AS PROVIDED HEREIN, MEMBERSHIP SHALL NOT BE TRANSFERABLE AND, IN ANY EVENT, NO TRANSFER OF MEMBERSHIP SHALL BE MADE ON THE BOOKS OF THE CORPORATION WITHIN TEN (10) DAYS PRECEDING THE ANNUAL MEETING OF THE MEMBERS. IN ALL TRANSFERS OF MEMBERSHIP, THE CORPORATION SHALL BE ENTITLED TO A FEE IT DEEMS APPROPRIATE TO COMPENSATE IT FOR THE PROCESSING OF THE TRANSFER.

(A) DEATH OF A MEMBER IF, UPON THE DEATH OF A MEMBER, THE MEMBERSHIP PASSES BY WILL OR INTESTATE DISTRIBUTION TO A MEMBER OF THE IMMEDIATE FAMILY, SUCH LEGATEE OF DISTRIBUTE MAY, IF ELIGIBLE UNDER THESE BY-LAWS, BY ASSUMING IN WRITING THE TERMS OF THE MEMBERSHIP AGREEMENT, THE RULES & REGULATIONS OF OPI, AND THE PAYMENT OF THE PROMISSORY NOTE WHERE APPLICABLE AND ALL OTHER AMOUNTS DUE THEREUNDER, WITHIN SIXTY (60) DAYS AFTER MEMBER'S DEATH, BECOME A MEMBER OF THE CORPORATION. IF MEMBER DIES AND OBLIGATION IS NOT ASSUMED IN ACCORDANCE WITH THE FOREGOING, THEN THE CORPORATION SHALL HAVE AN OPTION TO PURCHASE THE MEMBERSHIP FROM THE DECEASED MEMBER'S ESTATE IN THE MANNER PROVIDED IN PARAGRAPH (B) OF THIS SECTION, WRITTEN NOTICE OF THE DEATH BEING EQUIVALENT TO NOTICE OF INTENTION TO WITHDRAW. IF THE CORPORATION DOES NOT EXERCISE SUCH OPTION, THE PROVISIONS OF PARAGRAPH (C) OF THIS SECTION SHALL BE APPLICABLE, THE REFERENCES TO "MEMBER" THEREIN TO BE CONSTRUED AS REFERENCES TO THE LEGAL REPRESENTATIVE OF THE DECEASED MEMBER.

(B) OPTION OF CORPORATION TO PURCHASE IF THE MEMBER, OR A BENEFICIARY, DESIRES TO LEAVE THE PROJECT, HE/SHE SHALL NOTIFY THE CORPORATION IN WRITING OF SUCH INTENTION AND THE CORPORATION SHALL HAVE AN OPTION FOR A PERIOD OF SIXTY (60) DAYS COMMENCING THE FIRST DAY OF THE MONTH FOLLOWING THE GIVING OF SUCH NOTICE, BUT NOT THE OBLIGATION, TO PURCHASE THE MEMBERSHIP, TOGETHER WITH ALL OF THE MEMBER'S RIGHTS WITH RESPECT TO THE DWELLING UNIT, AT AN AMOUNT TO BE DETERMINED BY THE CORPORATION AS REPRESENTING THE CURRENT TRANSFER VALUE THEREOF, LESS ANY AMOUNTS DUE BY THE MEMBER TO THE CORPORATION UNDER MEMBERSHIP AGREEMENT AND/OR PROMISSORY NOTE AND LESS THE COST OR ESTIMATED COSTS DEEMED NECESSARY BY THE CORPORATION TO PLACE THE SPACE IN SUITABLE CONDITION FOR ANOTHER OCCUPANT.

THE PURCHASE BY THE CORPORATION OF THE MEMBERSHIP WILL TERMINATE THE MEMBER'S RIGHTS AND THE MEMBER SHALL VACATE THE PREMISES WITHIN THIRTY (30) DAYS.

(C) PROCEDURE WHERE CORPORATION DOES NOT EXERCISE OPTION
IF THE CORPORATION WAIVES, IN WRITING, ITS RIGHT TO PURCHASE THE MEMBERSHIP UNDER THE FOREGOING OPTION, OR IF THE CORPORATION FAILS TO EXERCISE SUCH OPTION WITHIN THE SIXTY (60) DAY PERIOD, THE MEMBER MAY SELL HIS/HER MEMBERSHIP TO ANY PERSON WHO HAS BEEN DULY APPROVED BY THE CORPORATION AS A MEMBER AND OCCUPANT. IF THE CORPORATION AGREES, AT THE REQUEST OF THE MEMBER, TO ASSIST THE MEMBER IN FINDING A PURCHASER, THE CORPORATION SHALL BE ENTITLED TO CHARGE THE MEMBER A FEE IT DEEMS REASONABLE FOR THIS SERVICE. WHEN THE TRANSFEREE HAS BEEN APPROVED FOR MEMBERSHIP AND HAS EXECUTED THE PRESCRIBED MEMBERSHIP AGREEMENT OR PROMISSORY NOTE, IF APPLICABLE, AND THE RULES AND REGULATIONS, THE RETIRING MEMBER SHALL BE RELEASED OF HIS/HER OBLIGATIONS PROVIDED HE/SHE HAS PAID ALL AMOUNTS DUE THE CORPORATION TO DATE.

(D) TRANSFER VALUE WHENEVER THE OPI BOARD ELECTS TO PURCHASE A MEMBERSHIP, THE TERM "TRANSFER VALUE" SHALL MEAN THE SUM OF THE FOLLOWING:

- (1) THE CONSIDERATION (I.E., DOWN PAYMENT) PAID FOR THE MEMBERSHIP BY THE FIRST OCCUPANT OF THE UNIT INVOLVED AS SHOWN ON THE BOOKS OF THE CORPORATION.
- (2) THE VALUE AS DETERMINED BY THE OPI BOARD, OF ANY IMPROVEMENTS INSTALLED AT THE EXPENSE OF THE MEMBER WITH PRIOR APPROVAL OF THE OPI BOARD, UNDER A VALUATION FORMULA WHICH DOES NOT PROVIDE FOR REIMBURSEMENT IN AN AMOUNT IN EXCESS OF THE TYPICAL INITIAL COST OF THE IMPROVEMENTS.

SECTION 10. TERMINATION OF MEMBERSHIP FOR CAUSE IN THE EVENT THE CORPORATION HAS TERMINATED THE RIGHTS OF A MEMBER, THE MEMBER SHALL BE REQUIRED TO DELIVER PROMPTLY TO THE CORPORATION HIS MEMBERSHIP CERTIFICATE ENDORSED IN SUCH MANNER AS MAY BE REQUIRED BY THE CORPORATION. THE CORPORATION SHALL THEREUPON AT ITS ELECTION EITHER (1) REPURCHASE SAID MEMBERSHIP AT ITS TRANSFER VALUE (AS DEFINED HEREIN ABOVE) OR THE AMOUNT THE RETIRING MEMBER ORIGINALLY PAID FOR THE ACQUISITION OF HIS MEMBERSHIP CERTIFICATE, WHICHEVER IS LESSER, OR (2) PROCEED WITH REASONABLE DILIGENCE TO FIND A PURCHASER OF THE MEMBERSHIP AT A SALES PRICE ACCEPTABLE TO THE CORPORATION. THE RETIRING MEMBER SHALL BE ENTITLED TO RECEIVE THE AMOUNT SO DETERMINED, LESS THE FOLLOWING AMOUNTS (THE DETERMINATION OF SUCH AMOUNTS BY THE CORPORATION TO BE CONCLUSIVE):

- (A) ANY AMOUNTS DUE TO THE CORPORATION FROM THE MEMBER.
- (B) THE COST OR ESTIMATED COST OF ALL DEFERRED MAINTENANCE AND SUCH REPAIRS AND REPLACEMENTS AS ARE DEEMED NECESSARY BY THE CORPORATION TO PLACE THE SPACE IN SUITABLE CONDITION FOR ANOTHER OCCUPANT.
- (C) LEGAL AND OTHER EXPENSES INCURRED BY THE CORPORATION IN CONNECTION WITH THE DEFAULT OF SUCH MEMBER AND THE RESALE OF HIS MEMBERSHIP. IN THE EVENT THE RETIRING MEMBER, FOR ANY REASON, SHOULD FAIL FOR A PERIOD OF TEN (10) DAYS AFTER DEMAND TO DELIVER TO THE CORPORATION HIS ENDORSED MEMBERSHIP AGREEMENT CERTIFICATE, SAID MEMBERSHIP CERTIFICATE SHALL

FORTHWITH BE DEEMED TO BE CANCELED AND MAY BE REISSUED BY THE CORPORATION TO A NEW PURCHASER.

SECTION 11. SALES PRICE MEMBERSHIPS MAY BE SOLD BY THE CORPORATION OR THE MEMBER ONLY TO A PERSON APPROVED BY THE OPI BOARD IN ACCORDANCE WITH THE REQUIREMENTS OF THE OPI BY-LAWS AND THE RULES & REGULATIONS, AND THE SALE PRICE SHALL NOT EXCEED THE TRANSFER VALUE AS PROVIDED IN THIS ARTICLE, EXCEPT THAT IN SALES EFFECTED BY THE CORPORATION, A SERVICE CHARGE NOT IN EXCESS OF \$100.00 MAY BE CHARGED BY THE CORPORATION. WHERE THE SALE IS ACCOMPLISHED BY A MEMBER, A RECORD OF SUCH SALE SHALL BE EXECUTED BY THE SELLER AND PURCHASER AND DELIVERED TO THE CORPORATION.

SECTION 12. DISSOLUTION IN THE EVENT OF THE DISSOLUTION OF THE CORPORATION, IT IS THE INTENT, THAT AFTER PAYMENT OF ALL TAXES, DEBTS, AND ALL OTHER LIABILITIES, ALL REMAINING ASSETS WILL BE DISTRIBUTED EQUALLY AMONG THE MEMBERS OF RECORD AND IN GOOD STANDING AT THE TIME OF THE DISSOLUTION OR TO THEIR HEIRS AND ASSIGNEES.

ARTICLE IV

MEETINGS OF MEMBERS

SECTION 1. PLACE OF MEETINGS MEETINGS OF THE MEMBERSHIP SHALL BE HELD AT THE PRINCIPAL OFFICE OR PLACE OF BUSINESS OF THE CORPORATION OR AT SUCH SUITABLE PLACE CONVENIENT TO THE MEMBERSHIP AS MAY BE DESIGNATED BY THE OPI BOARD.

SECTION 2. ANNUAL MEETINGS THE FIRST ANNUAL MEETING OF THE CORPORATION WAS HELD ON SEPTEMBER 10, 1987. THEREAFTER, THE ANNUAL MEETINGS OF THE CORPORATION SHALL BE HELD DURING THE ANNIVERSARY MONTH OF EACH SUCCEEDING YEAR. AT THE ANNUAL MEETING THERE SHALL BE ELECTED BY BALLOT OF THE MEMBERS A BOARD OF DIRECTORS (OPI BOARD) IN ACCORDANCE WITH THE REQUIREMENTS OF SECTION 3 OF ARTICLE V OF THESE BY-LAWS. THE MEMBERS MAY ALSO TRANSACT SUCH OTHER BUSINESS OF THE CORPORATION AS MAY PROPERLY COME BEFORE THEM.

SECTION 3. SPECIAL MEETINGS IT SHALL BE THE DUTY OF THE PRESIDENT TO CALL A SPECIAL MEETING OF THE MEMBERS AS DIRECTED BY RESOLUTION OF THE OPI BOARD OR UPON A PETITION SIGNED BY TWENTY (20) PERCENT OF THE MEMBERS HAVING BEEN PRESENTED TO THE SECRETARY. THE NOTICE OF ANY SPECIAL MEETING SHALL STATE THE TIME AND PLACE OF SUCH MEETING AND THE PURPOSE THEREOF. NO BUSINESS SHALL BE TRANSACTED AT A SPECIAL MEETING EXCEPT AS STATED IN THE NOTICE UNLESS BY CONSENT OF FOUR-FIFTHS OF THE MEMBERS PRESENT, EITHER IN PERSON OR BY PROXY.

SECTION 4. NOTICE OF MEETINGS IT SHALL BE THE DUTY OF THE SECRETARY TO NOTIFY IN WRITING EACH MEMBER OF EACH ANNUAL OR SPECIAL MEETING, STATING THE PURPOSE THEREOF AS WELL AS THE TIME AND PLACE WHERE IT IS TO BE HELD, TO EACH MEMBER OF RECORD AND IN GOOD STANDING AT HIS OR HER ADDRESS AS IT APPEARS ON THE MEMBERSHIP BOOK OF THE CORPORATION, OR IF NO SUCH ADDRESS APPEARS, AT HIS OR HER LAST KNOWN ADDRESS, AT LEAST THREE (3) BUT NOT MORE THAN SEVEN (7) DAYS PRIOR TO SUCH MEETING (THE NUMBER OF DAYS NOTICE TO COMPLY WITH STATE STATUE). SERVICE MAY ALSO BE ACCOMPLISHED BY THE DELIVERY OF ANY SUCH NOTICE TO THE MEMBER AT HIS OR HER DWELLING UNIT OF LAST KNOWN ADDRESS. NOTICE BY EITHER SUCH METHOD SHALL BE CONSIDERED AS NOTICE SERVED.

SECTION 5. QUORUM THE PRESENCE, EITHER IN PERSON OR BY PROXY, OF AT LEAST TWO-THIRDS (2/3) OF THE MEMBERS OF RECORD AND IN GOOD STANDING OF THE CORPORATION

SHALL BE REQUIRED FOR AND SHALL CONSTITUTE A QUORUM FOR THE TRANSACTION OF BUSINESS AT ALL MEETINGS OF MEMBERS.


IF THE NUMBER OF MEMBERS AT THE MEETING DROPS BELOW THE QUORUM AND THE QUESTION OF A LACK OF QUORUM IS RAISED, NO BUSINESS MAY BE THEREAFTER TRANSACTED.

SECTION 6. ADJOURNED MEETINGS IF ANY MEETING OF THE MEMBERS CANNOT BE ORGANIZED BECAUSE A QUORUM HAS NOT ATTENDED THE MEMBERS WHO ARE PRESENT, EITHER IN PERSON OR BY PROXY MAY, EXCEPT AS OTHERWISE PROVIDED BY LAW, ADJOURN THE MEETING TO A TIME NOT LESS THAN FORTY-EIGHT (48) HOURS FROM THE TIME THE ORIGINAL MEETING WAS CALLED, AT WHICH SUBSEQUENT MEETING THE QUORUM REQUIREMENT SHALL BE FIFTY (50) PERCENT.

SECTION 7. VOTING AT EVERY MEETING OF THE REGULAR MEMBERS, EACH MEMBER PRESENT, EITHER IN PERSON OR BY PROXY, SHALL HAVE THE RIGHT TO CAST ONE VOTE ON EACH QUESTION AND NEVER MORE THAN ONE VOTE. (A HUSBAND AND WIFE OR CO-OWNER MEMBERS EACH SHALL BE ENTITLED TO CAST ONE HALF (1/2) VOTE, THE TOTAL NEVER BEING MORE THAN ONE VOTE PER SPACE). THE VOTE OF THE MAJORITY OF THOSE PRESENT, EITHER IN PERSON OR BY PROXY, SHALL DECIDE ANY QUESTION BROUGHT BEFORE SUCH MEETING UNLESS THE QUESTION IS ONE WHICH, BY EXPRESS PROVISION OF STATUTE OR OF THE CERTIFICATE OF INCORPORATION OR OF THESE BY-LAWS, A DIFFERENT VOTE IS REQUIRED, IN WHICH CASE SUCH EXPRESS PROVISION SHALL GOVERN AND CONTROL. NO MEMBER SHALL BE ELIGIBLE TO VOTE OR TO BE ELECTED TO THE OPI BOARD WHO IS SHOWN ON THE BOOKS OF OPI TO BE MORE THAN THIRTY (30) DAYS DELINQUENT IN PAYMENTS DUE OPI.

SECTION 8. PROXIES A MEMBER MAY, IN WRITING, APPOINT A MEMBER OF HIS OR HER IMMEDIATE FAMILY OR ANY OTHER MEMBER OF THE CORPORATION AS HIS OR HER PROXY. IN NO CASE MAY A MEMBER CAST MORE THAN ONE VOTE BY PROXY IN ADDITION TO HIS OR HER OWN VOTE. ANY PROXY MUST BE FILED, IN WRITING, WITH THE SECRETARY BEFORE THE APPOINTED TIME OF THE MEETING.

SECTION 9. ORDER OF BUSINESS THE ORDER OF BUSINESS AT ALL REGULARLY SCHEDULED MEETINGS OF THE REGULAR MEMBERS SHALL BE AS FOLLOWS:

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- (A) ROLL CALL
 - (B) READING OF MINUTES OF PRECEDING MEETING
 - (C) REPORT OF OFFICERS
 - (D) REPORT OF COMMITTEES (FLOWER, SOCIAL, SUNSHINE, ETC.)
 - (E) ELECTION OF DIRECTORS
 - (F) UNFINISHED BUSINESS
 - (G) NEW BUSINESS

IN CASE OF SPECIAL MEETINGS, ITEMS (A) THRU (C) SHALL BE APPLICABLE AND THEREAFTER THE AGENDA SHALL CONSIST OF THE ITEMS SPECIFIED IN THE NOTICE.

SECTION 10. INSPECTOR OF ELECTION IN ADVANCE OF ANY MEETING OF MEMBERS, THE OPI BOARD MAY APPOINT INSPECTORS OF ELECTION TO ACT AT SUCH MEETING AND ANY ADJOURNMENT THEREOF. IF INSPECTORS OF ELECTION BE NOT SO APPOINTED, OR IF ANY PERSON SO APPOINTED FAIL TO APPEAR OR REFUSE TO ACT, THE CHAIRPERSON OF ANY SUCH MEETING MAY, ON THE REQUEST OF ANY MEMBER, OR MEMBER'S PROXY, MAKE SUCH APPOINTMENT AT THE MEETING. THE NUMBER OF INSPECTORS SHALL BE THREE AND MAJORITY RULE IS APPLICABLE IN ALL DECISIONS. THE DUTIES OF SUCH INSPECTORS SHALL BE AS PRESCRIBED BY SECTION 7614 (B) OF THE CALIFORNIA NONPROFIT MUTUAL BENEFIT CORPORATION LAW AND SHALL INCLUDE:

- (A) DETERMINING THE NUMBER OF MEMBERSHIPS OUTSTANDING AND THE VOTING POWER OF EACH
- (B) DETERMINING THE MEMBERSHIPS REPRESENTED AT THE MEETING
- (C) DETERMINING THE EXISTENCE OF A QUORUM
- (D) DETERMINING THE AUTHENTICITY, VALIDITY AND EFFECT OF PROXIES
- (E) RECEIVING VOTES, BALLOTS OR CONSENTS
- (F) HEARING AND DETERMINING ALL CHALLENGES AND QUESTIONS IN ANY WAY ARISING IN CONNECTION WITH THE RIGHT TO VOTE
- (G) COUNTING AND TABULATING ALL VOTES OR CONSENTS
- (H) DETERMINING WHEN THE POLLS SHALL CLOSE
- (I) DETERMINING THE RESULT AND DOING SUCH ACTS AS MAY BE PROPER TO CONDUCT THE ELECTION OR VOTE WITH FAIRNESS TO ALL MEMBERS

ARTICLE V

DIRECTORS

SECTION 1. NUMBER AND QUALIFICATION THE AFFAIRS OF THE CORPORATION SHALL BE GOVERNED BY A BOARD OF DIRECTORS OF FIVE (5) PERSONS, ALL OF WHOM SHALL BE MEMBERS OF THE CORPORATION AND A RESIDENT FOR AT LEAST SIX (6) MONTHS.

CORPORATION LAW AS TO ACTION TO BE AUTHORIZED OR APPROVED BY THE MEMBERS, AND SUBJECT TO THE DUTIES OF THE OPI BOARD AS PRESCRIBED BY THE BY-LAWS, AND ALL CORPORATE POWERS SHALL BE EXERCISED BY OR UNDER THE AUTHORITY OF THE BUSINESS AND AFFAIRS OF THE CORPORATION AND SHALL BE CONTROLLED BY THE OPI BOARD. WITHOUT PREJUDICE OF SUCH GENERAL POWERS, BUT SUBJECT TO THE SAME LIMITATIONS, IT IS HEREBY EXPRESSLY DECLARED THAT THE OPI BOARD SHALL HAVE THE FOLLOWING POWERS, TO WIT:

- (A) TO APPOINT AND REMOVE ALL OFFICERS, AGENTS AND EMPLOYEES OF THE CORPORATION, AND TO PRESCRIBE SUCH POWERS AND DUTIES FOR OFFICERS, AGENTS AND EMPLOYEES AS MAY BE CONSISTENT WITH THE LAW, THE ARTICLES OF INCORPORATION AND THE BY-LAWS.
- (B) TO CONDUCT, MANAGE AND CONTROL THE AFFAIRS AND BUSINESS OF THE CORPORATION, AND TO MAKE SUCH RULES AND REGULATIONS FOR THE USE, MAINTENANCE AND OPERATION OF THE COMMON PROPERTY OF THE CORPORATION CONSISTENT WITH LAW OR WITH THE ARTICLES OF INCORPORATION AND THE BY-LAWS.
- (C) TO ADOPT, MAKE AND USE A CORPORATE SEAL, AND TO ALTER THE FORM OF SUCH SEAL FROM TIME TO TIME, PROVIDED THAT THE SEAL SHALL AT ALL TIMES COMPLY WITH THE LAW.
- (D) TO BORROW MONEY AND INCUR INDEBTEDNESS FOR THE PURPOSES OF THE CORPORATION AND TO CAUSE TO BE EXECUTED AND DELIVERED THEREFORE IN THE CORPORATION'S NAME, PROMISSORY NOTES, BONDS, DEBENTURES, DEEDS OF TRUST, MORTGAGES, PLEDGES, HYPOTHECATIONS OR OTHER EVIDENCE OF DEBT AND SECURITIES.

- (E) TO ACCEPT OR REJECT ALL APPLICATIONS FOR MEMBERSHIP AND ADMISSION TO OCCUPANCY OF A SPACE IN OSBORNE PARK, INC., EITHER DIRECTLY OR THROUGH AN AUTHORIZED REPRESENTATIVE.
- (F) TO ESTABLISH MONTHLY CHARGES BASED ON AN OPERATING BUDGET FORMALLY ADOPTED BY SUCH BOARD.
- (G) TO AUTHORIZE IN THEIR DISCRETION PATRONAGE REFUNDS FROM RESIDUAL RECEIPTS WHEN AND AS REFLECTED IN THE ANNUAL REPORT.
- (H) TO TERMINATE MEMBERSHIP AND OCCUPANCY RIGHTS FOR CAUSE.
- (I) TO PROMULGATE SUCH RULES AND REGULATIONS PERTAINING TO USE AND OCCUPANCY OF THE PREMISES AS MAY BE DEEMED PROPER AND WHICH ARE CONSISTENT WITH THESE BY-LAWS AND CERTIFICATE OF INCORPORATION.

SECTION 3. ELECTION AND TERMS OF OFFICE THE ELECTION OF THE BOARD OF DIRECTORS AND THEIR TERMS OF OFFICE SHALL BE AS FOLLOWS:

- (A) THREE MEMBERS SHALL BE APPOINTED BY THE BOARD OF DIRECTORS TO SERVE AS A NOMINATING COMMITTEE TO SOLICIT THE NAMES OF MEMBERS TO RUN FOR THE POSITION OF DIRECTOR IN EACH ELECTION OF A DIRECTOR OR DIRECTORS.
- (B) THE TERM OF OFFICE FOR DIRECTORS SHALL BE TWO (2) YEARS. THREE DIRECTORS SHALL BE ELECTED IN ODD NUMBERED YEARS AND TWO (2) DIRECTORS SHALL BE ELECTED IN EVEN NUMBERED YEARS.
- (C) ANY DIRECTOR MAY RESIGN EFFECTIVE AT THE TIME OF WRITTEN NOTICE GIVEN TO THE PRESIDENT OR SECRETARY UNLESS A LATER TIME IS SPECIFIED IN THE NOTICE. IF THE RESIGNATION IS EFFECTIVE AT A FUTURE TIME, A SUCCESSOR MAY BE SELECTED PURSUANT TO SECTION 4 BELOW IN ADVANCE TO FILL THE VACANCY WHEN THE RESIGNATION BECOMES EFFECTIVE.

SECTION 4. VACANCIES VACANCIES IN THE OPI BOARD CAUSED BY ANY OTHER REASON THAN THE REMOVAL OF A DIRECTOR BY A VOTE OF THE MEMBERSHIP SHALL BE FILLED BY VOTE OF THE MAJORITY OF THE REMAINING DIRECTORS, EVEN THOUGH THEY MAY CONSTITUTE LESS THAN A QUORUM; AND EACH PERSON SO ELECTED SHALL BE A DIRECTOR UNTIL A SUCCESSOR IS ELECTED BY THE MEMBERS AT THE NEXT ANNUAL MEETING TO SERVE OUT THE UNEXPIRED PORTION OF THE TERM.

SECTION 5. REMOVAL OF DIRECTORS AT ANY REGULAR OR SPECIAL MEETING DULY CALLED, ANY DIRECTOR MAY BE REMOVED WITH OR WITHOUT CAUSE BY THE AFFIRMATIVE VOTE OF THE MAJORITY OF THE ENTIRE REGULAR MEMBERSHIP OF RECORD AND A SUCCESSOR MAY THEN AND THERE BE ELECTED TO FILL THE VACANCY THUS CREATED. ANY DIRECTOR WHOSE REMOVAL HAS BEEN PROPOSED BY THE MEMBERS SHALL BE GIVEN AN OPPORTUNITY TO BE HEARD AT THE MEETING. THE TERM OF ANY DIRECTOR WHO BECOMES MORE THAN THIRTY (30) DAYS DELINQUENT IN PAYMENT OF MONIES DUE THE CORPORATION SHALL BE AUTOMATICALLY TERMINATED AND THE REMAINING DIRECTORS SHALL APPOINT HIS OR HER SUCCESSOR AS PROVIDED IN SECTION 4 ABOVE.

SECTION 6. COMPENSATION NO COMPENSATION SHALL BE PAID TO DIRECTORS FOR THEIR SERVICES AS DIRECTORS. NO REMUNERATION SHALL BE PAID TO A DIRECTOR FOR

SERVICES PERFORMED IN ANY CAPACITY, UNLESS A RESOLUTION AUTHORIZING SUCH RENUMERATION SHALL HAVE BEEN UNANIMOUSLY ADOPTED BY THE OPI BOARD BEFORE THE SERVICES ARE UNDERTAKEN. A DIRECTOR MAY NOT BE AN EMPLOYEE OF THE CORPORATION.

SECTION 7. ORGANIZATION MEETING. THE FIRST MEETING OF A NEWLY ELECTED OPI BOARD SHALL BE HELD WITHIN TEN (10) DAYS OF ELECTION AT SUCH PLACE AS SHALL BE FIXED BY THE OPI BOARD AT THE MEETING AT WHICH SUCH DIRECTORS WERE ELECTED, AND NO NOTICE SHALL BE NECESSARY TO THE NEWLY ELECTED DIRECTORS IN ORDER LEGALLY TO CONSTITUTE SUCH MEETING, PROVIDING A MAJORITY OF THE WHOLE BOARD BE PRESENT.

SECTION 8. REGULAR MEETINGS. REGULAR MEETINGS OF THE OPI BOARD MAY BE HELD AT SUCH TIME AND PLACE AS SHALL BE DETERMINED, FROM TIME TO TIME, BY A MAJORITY OF THE OPI BOARD BUT AT LEAST FOUR (4) SUCH MEETINGS SHALL BE HELD DURING EACH FISCAL YEAR. NOTICE OF REGULAR MEETINGS OF THE OPI BOARD SHALL BE GIVEN TO EACH DIRECTOR, PERSONALLY OR BY MAIL OR TELEPHONE AT LEAST THREE (3) DAYS PRIOR TO THE DAY NAMED FOR SUCH MEETING.

SECTION 9. SPECIAL MEETINGS. SPECIAL MEETINGS OF THE OPI BOARD MAY BE CALLED BY THE PRESIDENT ON THREE (3) DAYS NOTICE TO EACH DIRECTOR, GIVEN PERSONALLY OR BY MAIL OR TELEPHONE, WHICH NOTICE SHALL STATE THE TIME, PLACE (AS HEREINABOVE PROVIDED) AND PURPOSE OF THE MEETING. SPECIAL MEETINGS OF THE OPI BOARD SHALL BE CALLED BY THE PRESIDENT OR SECRETARY IN LIKE MANNER AND ON LIKE NOTICE ON THE WRITTEN REQUEST OF AT LEAST THREE (3) DIRECTORS.

SECTION 10. WAIVER OF NOTICE. BEFORE OR AT ANY MEETING OF THE OPI BOARD ANY DIRECTOR MAY, IN WRITING, WAIVE NOTICE OF SUCH MEETING AND SUCH WAIVER SHALL BE DEEMED EQUIVALENT TO THE GIVING OF SUCH NOTICE. ATTENDANCE BY A DIRECTOR AT ANY MEETING OF THE OPI BOARD SHALL BE A WAIVER OF NOTICE BY HIM/HER AT THE TIME AND PLACE THEREOF. IF ALL DIRECTORS ARE PRESENT AT ANY MEETING OF THE OPI BOARD, NO NOTICE SHALL BE REQUIRED AND ANY BUSINESS MAY BE TRANSACTED AT SUCH MEETING.

SECTION 11. QUORUM. A MAJORITY OF THE AUTHORIZED NUMBER OF DIRECTORS IS A QUORUM FOR THE TRANSACTION OF BUSINESS AND THE ACTS OF THE MAJORITY OF THE DIRECTORS PRESENT SHALL BE THE ACTS OF THE OPI BOARD, EXCEPT AS A GREATER OR LESSER NUMBER BE REQUIRED BY APPLICABLE LAW. A MEETING AT WHICH A QUORUM IS INITIALLY PRESENT MAY CONTINUE TO TRANSACT BUSINESS NOTWITHSTANDING THE WITHDRAWAL OF DIRECTORS IF ANY ACTION TAKEN IS APPROVED BY AT LEAST A MAJORITY OF THE REQUIRED QUORUM FOR THE MEETING.

SECTION 12. FIDELITY BONDS AND/OR ERRORS & OMISSIONS. THIS MATTER AT THE DISCRETION OF THE OPI BOARD IN OFFICE

ARTICLE VI

OFFICERS

SECTION 1. DESIGNATION. THE PRINCIPAL OFFICERS OF THE CORPORATION SHALL BE A PRESIDENT, A VICE PRESIDENT, A SECRETARY AND/OR TREASURER, ALL OF WHOM SHALL BE ELECTED BY AND FROM THE OPI BOARD. THE DIRECTORS MAY APPOINT AN ASSISTANT SECRETARY, AND SUCH OTHER OFFICERS AS IN THEIR JUDGMENT MAY BE NECESSARY.

SECTION 2. ELECTION OF OFFICERS THE OFFICERS OF THE CORPORATION SHALL BE ELECTED ANNUALLY BY THE OPI BOARD AT THE ORGANIZATION MEETING OF EACH NEW OPI BOARD AND SHALL HOLD OFFICE AT THE PLEASURE OF THE OPI BOARD.

SECTION 3. REMOVAL OF OFFICERS UPON AN AFFIRMATIVE VOTE OF A MAJORITY OF MEMBERS OF THE OPI BOARD, ANY OFFICER MAY BE REMOVED, EITHER WITH OR WITHOUT CAUSE, AND HIS OR HER SUCCESSOR ELECTED AT ANY REGULAR MEETING OF THE OPI BOARD OR AT ANY SPECIAL MEETING OF THE OPI BOARD CALLED FOR SUCH PURPOSE.

SECTION 4. PRESIDENT THE PRESIDENT SHALL BE THE CHIEF EXECUTIVE OFFICER OF THE CORPORATION. HE SHALL PRESIDE AT ALL MEETINGS OF THE OPI BOARD. HE SHALL HAVE ALL THE GENERAL POWERS AND DUTIES WHICH ARE USUALLY VESTED IN THE OFFICE OF THE PRESIDENT OF A CORPORATION INCLUDING, BUT NOT LIMITED TO, THE POWER TO APPOINT COMMITTEES FROM AMONG THE MEMBERSHIP FROM TIME TO TIME AS HE/SHE MAY, IN HIS OR HER DISCRETION, DECIDE IS APPROPRIATE TO ASSIST IN THE CONDUCT OF THE AFFAIRS OF THE CORPORATION.

SECTION 5. VICE PRESIDENT THE VICE PRESIDENT SHALL TAKE THE PLACE OF THE PRESIDENT AND PERFORM HIS OR HER DUTIES WHEN EVER THE PRESIDENT SHALL BE ABSENT OR UNABLE TO ACT. IF NEITHER THE PRESIDENT NOR THE VICE PRESIDENT IS ABLE TO ACT, THE OPI BOARD SHALL APPOINT SOME OTHER MEMBER OF THE OPI BOARD TO DO SO ON AN INTERIM BASIS. THE VICE PRESIDENT SHALL ALSO PERFORM SUCH OTHER DUTIES AS SHALL FROM TIME TO TIME BE IMPOSED UPON HIM OR HER BY THE OPI BOARD.

SECTION 6. SECRETARY THE SECRETARY SHALL KEEP THE MINUTES OF ALL MEETINGS OF THE OPI BOARD AND THE MINUTES OF ALL MEETINGS OF THE CORPORATION; HE OR SHE SHALL HAVE THE CUSTODY OF THE SEAL OF THE CORPORATION; HE OR SHE SHALL HAVE CHARGE OF MEMBERSHIP TRANSFERS AND OF SUCH BOOKS AND PAPERS AS THE OPI BOARD MAY DIRECT; AND HE OR SHE SHALL, IN GENERAL, PERFORM ALL THE DUTIES INCIDENT TO THE OFFICE OF SECRETARY, INCLUDING THE APPOINTMENT OF A RECORDING SECRETARY.

SECTION 7. TREASURER THE TREASURER SHALL HAVE ALL RESPONSIBILITY FOR CORPORATE FUNDS AND SECURITIES AND SHALL BE RESPONSIBLE FOR KEEPING FULL AND ACCURATE ACCOUNTS OF ALL RECEIPTS AND DISBURSEMENTS IN BOOKS BELONGING TO THE CORPORATION. HE OR SHE SHALL BE RESPONSIBLE FOR THE DEPOSIT OF ALL MONIES AND OTHER VALUABLE EFFECTS IN THE NAME, AND TO THE CREDIT OF THE CORPORATION IN SUCH DEPOSITORIES AS MAY FROM TIME TO TIME BE DESIGNATED BY THE OPI BOARD.

ARTICLE VII

AMENDMENTS

SECTION 1. THESE BY-LAWS MAY BE AMENDED BY THE AFFIRMATIVE VOTE OF THE MAJORITY OF THE ENTIRE MEMBERSHIP OF RECORD AT ANY REGULAR OR SPECIAL MEETING. AMENDMENTS MAY BE PROPOSED BY THE OPI BOARD OR BY PETITION SIGNED BY AT LEAST SIXTY-SIX (66) PERCENT OF THE MEMBERSHIP. A DESCRIPTION OF ANY PROPOSED AMENDMENT SHALL ACCOMPANY THE NOTICE OF ANY REGULAR OR SPECIAL MEETING AT WHICH SUCH PROPOSED AMENDMENT IS TO BE VOTED ON.

ARTICLE VIII

CORPORATE SEAL

SECTION 1. SEAL THE OPI BOARD SHALL PROVIDE A SUITABLE CORPORATE SEAL CONTAINING THE NAME OF THE CORPORATION, WHICH SHALL BE IN CHARGE OF THE SECRETARY.

ARTICLE IX

FISCAL MANAGEMENT

SECTION 1. FISCAL YEAR THE FISCAL YEAR OF THE CORPORATION SHALL BEGIN ON THE 1ST DAY OF OCTOBER EVERY YEAR, EXCEPT THAT THE FIRST FISCAL YEAR SHALL BEGIN AT THE DATE OF INCORPORATION. THE COMMENCEMENT DATE OF THE FISCAL YEAR HEREIN ESTABLISHED SHALL BE SUBJECT TO CHANGE BY THE OPI BOARD SHOULD CORPORATE PRACTICE DICTATE.

SECTION 2. BOOKS AND ACCOUNTS BOOKS AND ACCOUNTS OF THE CORPORATION SHALL BE KEPT UNDER THE DIRECTION OF THE TREASURER AND IN ACCORDANCE WITH STANDARD ACCOUNTING PROCEDURES.

SECTION 3. AUDITING AT THE CLOSE OF EACH FISCAL YEAR, THE BOOKS AND RECORDS OF THE CORPORATION SHALL BE AUDITED BY A CPA OR OTHER PERSON ACCEPTABLE TO THE OPI BOARD. BASED ON SUCH REPORTS, THE CORPORATION WILL FURNISH ITS MEMBERS WITH AN ANNUAL FINANCIAL STATEMENT INCLUDING THE INCOME AND THE DISBURSEMENTS OF THE CORPORATION.

SECTION 4. INSPECTION OF BOOKS FINANCIAL REPORTS AND THE MEMBERSHIP RECORDS OF THE CORPORATION SHALL BE AVAILABLE AT THE PRINCIPAL OFFICE OF THE CORPORATION FOR INSPECTION AT REASONABLE TIMES BY ANY MEMBERS.

SECTION 5. EXECUTION OF CORPORATE DOCUMENTS WITH THE PRIOR AUTHORIZATION OF THE OPI BOARD, ALL NOTES AND CONTRACTS INCLUDING MEMBERSHIP AGREEMENTS, SHALL BE EXECUTED ON BEHALF OF THE CORPORATION BY EITHER THE PRESIDENT OR THE VICE PRESIDENT, AND ALL CHECKS SHALL BE EXECUTED ON BEHALF OF THE CORPORATION BY TWO (2) OUT OF THREE (3) SIGNATURES ON RECORD AT THE BANK.

THESE BY-LAWS AMENDED:
FEBRUARY 1988
SEPTEMBER 1994

NOTICE OF ELECTION
OSBORNE PARK
Civ. Code §5115(a)
December 8, 2020

TO: ALL OWNER/MEMBERS OF OSBORNE PARK TAKE NOTICE

DATE OF ELECTION: March 31, 2021

DATE OF THIS NOTICE: December 8, 2020

LOCATION: 2438 E. Vista Way, Vista, CA 92084
Upper Clubhouse

TIME: 5:00 P.M. – Sign-in
5:30 P.M. – Meeting Called to Order

Election of Directors

On March 31, 2021, Osborne Park will conduct an election of Directors. There are five (5) open seats. Enclosed you will find a nomination form. If you are interested in serving as a director for Osborne Park complete the form and return it to the Inspector of Elections, Greg Garrison, at [address].

If you are in Good Standing and would like to serve, complete the enclosed Nomination Form and return it no later then **January 15, 2020** to the **Inspector of Elections P.O. Box 131025, Carlsbad, California, 92013.**

After the nomination forms have been received and verified, Secret Ballots will be sent to you. Carefully read and follow the accompanying instructions on how to complete and return the ballots.

The cut-off for nominations is January 15, 2020 at 5:00 PM. In order for your nomination to be considered it must be received before that deadline.

Also inclosed are the Voting Rules approved by the Superior Court. Note that each Unit of Osborne Park has one vote.

Greg Garrison
Court Appointed Inspector of Elections
619-708-1628

OSBORNE PARK, INC.
A California Non-Profit Mutual Benefit Corporation

VOTING AND ELECTION RULES AND PROCEDURES
(Civil Code Section 5105)

Effective Oct 30, 2020

1. Introduction

- a. These Election Rules are adopted in compliance with Chapter 6, Art. 4 of the Davis-Stirling Common Interest Development Act, Civil Code Sections 5100, *et seq.*
- b. The Board of Directors ("Board") consists of five (5) Directors. Directors are elected for staggered two-year terms. (By-Laws of Osborne Park, Inc. ("Bylaws") at Article V, Sections 1 and 3(B)).
- c. Cumulative voting is not permitted. (Corporations Code Section 7615).
- d. Except as otherwise provided in the Articles or Bylaws, a quorum at any Membership meeting consists of the presence in person, proxy or Secret Ballot, of two-thirds of the record members of the Association. (Bylaws, at Article IV, Section 5).
- e. If quorum is not obtained, a majority of the Members present in person or by valid proxy may adjourn the Meeting but may take no other action. (Bylaws, at Article IV, Section 6; Corporations Code Section 7512). The Meeting may be adjourned for not less than forty-eight (48) hours. (Bylaws, at Article IV, Section 6).
- f. Opportunity for Internal Dispute Resolution ("IDR"): Any member disputing or challenging any aspect or application of these rules, including, without limitation, the member's qualifications to be nominated as a candidate for the Board, has the opportunity to engage in IDR with the Association pursuant the procedure provided at Civil Code Section 5915.

2. Membership Meetings, Annual Meeting, Election of Directors and Membership Votes

- a. Only persons who hold a current and valid Membership Certificate issued by the Association pursuant to Article III, Sections 4, 6 and 7 of the Bylaws are Members of the Association. Only Members will be issued ballots, as further set forth in these Rules.

- b. Members must be either registered owners of a mobile home located on a space in Osborne Park, or bona fide purchasers of the right to place a mobile home on a space in Osborne Park.
- c. The Association will hold an Annual Meeting of the Membership to elect Directors and to conduct Association business which is properly brought before the Members and/or on the agenda. ("Annual Meeting" or "Election").
- d. These Election and Voting Rules ("Rules"): (1) prohibit the denial of a Ballot to a Member for any reason other than not being a Member at the time when Ballots are distributed; (2) prohibit the denial of a Ballot to a person with general power of attorney for a Member; and (3) require the Ballot of a person with general power of attorney for a Member to be counted if returned in a timely manner.
- e. Persons who attend a Meeting may be asked to provide photo identification or other documents to prove that they are Members and are entitled to vote at a Meeting, to show they are a designated proxyholder, or to show they hold a general power of attorney for a Member.
- f. Secret Ballots: The Association will utilize a secret ballot ("Secret Ballot" or "Ballot") process, which is required by California law, as described below, for:
 - i. A vote of the Membership regarding assessments;
 - ii. Election or removal of Members of the Association's Board of Directors;
 - iii. Amendments to the Governing Documents;
 - iv. Grant of exclusive-use of common area property pursuant to Civil Code Section 4600;
 - v. Any other Membership votes which may be required or allowed by law.
- g. The Association's Inspector(s) of Election will send or cause to be sent a Notice of Annual Meeting/Instructions for Voting which will advise all Members of times when registration will begin and when the Meeting will be called to order, as well as when the polls will open. The Notice will also state the dates and times when the Members and candidates may attend the Annual Meeting to witness the Inspector(s) of Elections' registration, review, count and tabulation of the Ballots for the Annual Meeting.
- h. Other meetings of the Members ("Special Meetings") may be noticed and held by the Association to vote on matters which are proper for Member vote. The Board may also determine not to notice or hold Membership Meetings for votes on matters, except for Membership Meetings required for the removal or election of Directors and Annual Meetings, and may conduct the vote by Secret Ballot

process and have the Secret Ballots counted and tabulated at a regular duly noticed open Board meeting.

- i. The Directors must be elected by Secret Ballot and cannot be elected by voice vote or show of hands at the Annual or other Special Meeting. At Annual Meetings or other Special Meetings where Directors will be elected, the Secret Ballot votes for Directors will be counted and tallied, and the Report of the Inspector(s) of Election will provide the tabulated results of the vote and election.
- j. Other business at the Annual or other Special Meetings, such as approval of minutes, motions to close registration, motions to cease balloting, motions to adjourn and other parliamentary or meeting procedures required by a recognized system of parliamentary procedure may be conducted by a show of hands, voice vote or other recognized method, including a roll call vote.
- k. All Membership Meetings and votes will be conducted in accordance with the Association's Governing Documents and California Corporations and Civil Codes, as appropriate.
- l. Members will have one vote per membership. When more than one person holds an interest of record in any space, all such persons shall be Members of the Association, although in no event shall more than one vote be cast with respect to any space.
- m. The Association will create and retain a candidate registration list and a voter list.
 - i. Voter list: the voter list shall include the name, voting power, and either the physical address of the Member's space, parcel number, or both. The mailing address for the Ballot shall be listed on the voter list if it differs from the physical address of the space or if only the parcel number is used.
 - ii. Candidate registration list: a candidate registration list shall be prepared with the names of candidates that will appear on the Secret Ballot.
 - iii. The Association shall permit Members to verify the accuracy of their individual information on the candidate registration list and voter list at least thirty (30) days before Ballots are distributed. The Association or Member shall report any errors or omissions to the Inspector(s) of Election who shall make any correction within two (2) business days.

3. Candidate Qualifications and Nominations.

- a. The following qualifications apply to nominees for the Board of Directors:
 - i. The Association shall disqualify a person from nomination as a candidate for the Board of Directors for not being a Member of the Association at the time of the nomination.

- ii. All Directors must be residents of Osborne Park, and must have been residents for at least six (6) months at the time of their election to the Board of Directors.
 - iii. If membership is held by a legal entity that is not a natural person, the governing authority of that legal entity shall have the power to appoint a natural person, in writing, to be a Member for purposes of being a candidate for election to the Board.
 - iv. All nominees for a Board seat must be current in the payment of regular and special assessments. Nominees may not be disqualified for nonpayment of fines, fines renamed as assessments, collection charges, or costs levied by a third party. Further, a nominee may not be disqualified if they have paid the regular or special assessment under protest; if they have entered into a payment plan; or if they have not been provided the opportunity to engage in internal dispute resolution ("IDR").
 - v. All Directors must be current in the payment of regular and special assessments. Directors may not be disqualified for nonpayment of fines, fines renamed as assessments, collection charges, or costs levied by a third party. Further, a Director may not be disqualified if they have paid the regular or special assessment under protest; if they have entered into a payment plan; or if they have not been provided the opportunity to engage in IDR.
 - vi. A nominee is disqualified if that person has been a Member of the Association for less than one year.
 - vii. A person is disqualified from nomination if the person, if elected, would be serving on the Board at the same time as another person who holds a joint interest in the same space as the person and the other person is either properly nominated for the current election or an incumbent Director.
 - viii. A person is disqualified if that person discloses, or the Association is aware or becomes aware of, a past criminal conviction that would, if the person 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.
- b. The Association shall provide general notice of the procedure and deadline for submitting a nomination at least thirty (30) days before the deadline for submitting a nomination.
- c. The Association will send out to all Members a request-for-candidates form, seeking candidate nominations for the Board. All forms must be completed by the candidate and must be received by the Association by the deadline stated in the form in order for a candidate to be eligible to run for the Board.

- d. The candidacy form will include the opportunity for each candidate to submit a 150 word maximum written statement which is reasonably related to the election, including advocating a point of view. Candidate statements will be included with the Association's mailing of the Notice and Ballot materials. The Association will not edit or redact these statements, but may include a statement specifying that the candidate is responsible for the content.
- e. The Association's Secretary will review the candidate nomination forms, and if the person is not qualified to be a nominee, that person's name will not be included on the candidate registration list or the Secret Ballot that is mailed to the Membership. The Secretary may delegate this certification to management or to another Director at any time, including whenever the Secretary may be a candidate for a Director position.
- f. Meet the Candidates Opportunity - The Association may hold an informal gathering not less than 15 days prior to the Annual Meeting. All candidates may participate. , Each candidate may give an oral statement of his/her qualifications of no longer than five (5) minutes per candidate, unless otherwise indicated in the Ballot materials. Questions may also be directed to any candidate by the Members present at the meeting. The candidates are not required to attend the Meet the Candidates event, to make a statement, or to answer questions but are encouraged to do so. No voting or other actions will take place at the Meet the Candidates event.

4. Membership Meetings

- a. The Association's Inspector(s) of Election will send or cause to be sent a Notice of Meeting/Instructions for Voting which will advise the Members of times when registration will begin and when the Meeting will be called to order, as well as when the polls will open. The Notice will also state the dates and times when the Members and candidates may attend the Meeting to witness the Inspector(s)' registration, review, count and tabulation of Ballots.
- b. The Association may notice and hold meetings of the Members to vote on matters which are proper for Member vote. The Board may also determine not to hold a Membership meeting for votes on matters, except for Membership Meetings required for the removal or election of Directors and Annual Meetings, and may conduct the vote by the Secret Ballot process and have the Secret Ballots counted and tabulated at a regular duly noticed open Board meeting.
- c. The Directors must be elected by Secret Ballot and cannot be elected by voice vote, show of hands or other means.
- d. Other business at the Membership Meetings, such as approval of minutes, motions to close registration, motions to cease balloting, motions to adjourn and other parliamentary or meeting procedures required by a recognized system of

parliamentary procedure may be conducted by a show of hands, voice vote or other recognized method, including a roll call vote.

- e. All Membership Meetings and votes will be conducted in accordance with the Association's Governing Documents and Corporations and Civil Codes, as appropriate.

5. Association Election Materials

- a. Voter List. The voter list shall include name, voting power, and either the physical address of the voter's separate interest, the parcel number, or both. The mailing address for the Ballot shall be listed on the voter list if it differs from the physical address of the voter's separate interest or if only the parcel number is used.
- b. Candidate Registration List. A candidate registration list shall be prepared with names of candidates that will appear on the Secret Ballot. The Association shall permit Members to verify the accuracy of their individual information on the candidate registration list and voter list at least thirty (30) days before Ballots are distributed. The Association or Member shall report any error or omissions to either list to the Inspector(s) of Election who shall make any correction within two (2) business days.

6. Inspector(s) of Elections

- a. One (1) or three (3) independent third party inspector(s) of elections ("Inspector(s)") will be selected and appointed by the Board of Directors.

For purposes of this section, an independent third party includes the following:

- i. A volunteer poll worker working for the county registrar of voters;
 - ii. A Licensee of the California Board of Accountancy;
 - iii. A Notary Public;
 - iv. A Member of the Association who does not hold a position on the current Board of Directors, is not related to a Member of the current Board of Directors, is not a candidate for the forthcoming election and is not related to a candidate for the forthcoming election, for which such Member of the Association would serve as an Inspector; or
 - v. Such other persons as may be provided by California Law.
- b. The Board will not select as an Inspector a Member of the Board of Directors, a candidate for the Board of Directors, or a relative of a Member of the Board or of a candidate, or a person, business entity, or subdivision of a business entity

currently employed by or under contract to the Association for any compensable services, other than serving as an Inspector. The Inspector(s) can be volunteers or be hired by the Association.

- c. The Board may determine to pay compensation to the professional non-Member third party Inspector(s), if any. If the Board determines to appoint and pay a professional non-Member independent third party to be Inspector(s), the Board will require the following terms to be met by the independent third party Inspector(s):
 - i. A formal written contract for the Inspector(s) to be hired as independent contractor(s);
 - ii. The Inspector(s), shall maintain the custody of the election envelopes and Secret Ballots or designate a location for their custody and storage for at least one (1) year at which time, custody shall be transferred to the Association's managing agent;
 - iii. The professional non-Member independent third party Inspector(s) shall indemnify Association if independent third party Inspector(s) is grossly negligent, or commits malicious and/or willful misconduct.
- d. If an Inspector is unwilling to, unable to, or does not perform his/her duties as stated in these Rules, or becomes ineligible to be an Inspector at any time after appointment under these Rules, the Board may remove that Inspector without notice, and may appoint another Inspector that meets the requirements set forth above to take his/her place.
- e. Inspector(s)' Duties:
 - i. Correct the voter list and candidate registration list.
 - ii. At least thirty (30) days before an election, deliver to each Member (or cause to be delivered) a Ballot or Ballots and a copy of these Rules. Delivery of these Rules may be accomplished by: posting these Rules to the Association's internet website and including the corresponding internet website address on the Ballot together with the phrase, in at least 12-point font: "The rules governing this election may be found here:"; or via individual delivery as specified at Civil Code Section 4040.
 - iii. Determine number of Memberships entitled to vote and the voting power of each.
 - iv. Determine the authenticity, validity, and effect of proxies, if any.
 - v. Receive Secret Ballots and proxies, if any.

- vi. Hear and determine all challenges and questions in any way arising out of or in connection with the right to vote.
 - vii. Count and tabulate all votes.
 - viii. Determine when the polls shall close.
 - ix. Determine the results of the election or vote.
 - x. Perform any acts as may be proper to conduct the election with fairness to all Members, in accordance with California Law and these Rules.
 - xi. All duties must be performed in good faith, to the best of the Inspector(s)' ability, as expeditiously as practical, and in a manner that protects the interest of all Members.
 - xii. Prior to the mailing of the Secret Ballots by the Association, the Inspector(s) will determine the location where the sealed Secret Ballots will be mailed or delivered.
 - xiii. The Inspector(s) of Elections shall also determine where the Inspector(s) will maintain custody of the sealed Secret Ballots, signed voter envelopes, the voter list, proxies, and the candidate registration list before and after the count and tabulation of the vote by the Inspector(s).
- f. The Inspector(s) may appoint and designate additional personnel to assist them in their duties, including registration, opening, counting and tabulating, but the Inspector(s) will oversee and be responsible for all actions of such designees. Any additional persons appointed to assist the Inspector(s) must meet the qualifications stated above for Inspectors. Only the Inspector(s) may sign the report of the Inspector(s) of election, but additional designees may be required to sign an oath regarding his/her/their duties.
 - g. If there are three (3) Inspectors, the decision to act or make a decision must be by a majority of the Inspectors and is effective, in all respects, as the decision of all.
 - h. The report of the Inspector(s) of the election shall be prepared for all votes, and once signed to certify the results of the vote, count or election, is prima facie evidence of the facts stated in the report.

7. **Secret Ballot Procedures**

- a. At least thirty (30) days before the Ballots are distributed, the Association shall provide general notice of the date and time by which, and the physical address where, Ballots are to be returned by mail or handed to the Inspector(s); the date, time and location of the meeting where the Ballots will be counted; and the list of candidates that will appear on the Ballot.

- b. At least thirty (30) days prior to the deadline for voting, the Secret Ballots will be mailed by first-class mail or delivered to every Member, along with two envelopes ("Envelopes") and instructions on and deadlines for return of Ballots. The Annual Meeting date, other Membership Meeting date, or deadline date for other votes taken without a meeting will be considered the due date for completed Ballots to be received by the Association. A Notice of Meeting will also be sent which will include instructions on how to return Ballots.
- c. The Secret Ballot itself will not identify the voter by name, address, parcel number or space number.
- d. The Secret Ballot and Notice will contain the names of all candidates.
- e. The Secret Ballot itself is not signed by the voter but is inserted into an inner Ballot Envelope (Envelope #1).
- f. The voter then seals Envelope #1 and inserts Envelope #1 into a second outer mailing envelope (Envelope #2) preaddressed to the address specified by the Inspector(s) which is then also sealed by the voter.
- g. In the upper left-hand corner of Envelope #2, the voter prints and signs his or her name, and prints the address of the space that entitles him/her to vote. A proxy holder voting on behalf of a Member at a Meeting shall print the name and address of the proxy giver in the upper left-hand corner of Envelope # 2, but shall sign the proxy holder's name on Envelope # 2.
- h. Persons with multiple memberships must submit separate Secret Ballots in separate sealed Ballot Envelopes (#1 and #2) for each membership.
- i. Envelopes #1 and #2 are preaddressed to the Inspector(s) at the location selected by the Inspector(s).
- j. Secret Ballots may be mailed to the selected address or delivered by hand by the Member to the location selected by the Inspector(s).
- k. All Secret Ballots must be mailed or delivered to the Inspector(s), or brought to a Meeting to be voted in person at the Meeting.
- l. The Member may request a receipt for hand delivery of the sealed Envelope #2 to the location selected by the Inspector(s). Any Member desiring a receipt for mail delivery should send the Secret Ballot by certified mail, return receipt requested, to the location selected by the Inspector(s). A Member shall not receive a receipt for hand delivery of a sealed envelope or Ballot brought to a Meeting.

- m. Only the Association's Secret Ballots and envelopes which are sent out to the Membership by the Association or are provided by the Association at the Membership Meeting will be accepted by the Inspector(s). No copies, faxes, or emails of the Secret Ballots and envelopes will be accepted or counted by the Inspector(s).
- n. Members must clearly print the correct name of the Member, the property address, and sign the upper left hand corner, or may use pre-printed address stickers or labels instead of personally printing their own information on Envelope #2. However, the information must be accurate and correct per the Association's records or it will not be valid.
- o. The Member must sign on the signature line shown on the upper left-hand corner of Envelope #2. If an outer mailing envelope is not signed by the Member, it may not be counted by the Inspector(s) as a cast vote, except for quorum purposes in the discretion of the Inspector(s).

8. Proxies

- a. The Association will not send out a proxy for the Annual Meeting or other Membership votes. Proxies will be accepted only if the Inspector(s) determines the proxy meets all of the requirements of the Bylaws, the Corporations Code and the Civil Code. Proxy holders shall not be given Secret Ballots pursuant to proxies until after the time that all proxies and Secret Ballots (except for those Secret Ballots to be distributed pursuant to proxies) have been registered, and the proxy has been upheld as valid. If the proxy giver has submitted a Ballot in accordance with these rules the proxy will be deemed revoked, the Ballot will be counted, and the proxy holder will not be given a Ballot to cast.
- b. Any instruction given in a proxy that directs the manner in which the proxy holder is to cast the vote must be set forth on a separate page of the proxy that can be detached and given to the proxy holder to retain.
- c. The proxy holder must be a Member of the Association as required by California law, and must be present in person at the Membership Meeting and shall cast the proxy giver's/Member's vote by Secret Ballot at the Meeting unless the proxy is revoked by the proxy giver prior to the Inspector(s) receipt of the proxy giver's Secret Ballot at the Meeting. If the proxy holder is not present at the Meeting, the proxy shall not be valid for any purpose.
- d. Any Member who gives another Member his or her proxy does so with the full understanding that the Association and Inspector(s) will not be responsible for ensuring that any proxy holder votes the proxy in accordance with the proxy giver's direction. The Inspector(s) cannot verify or observe how the proxy holder marks the proxy giver's/Member's Secret Ballot.

- e. Any proxies previously distributed by the Association for quorum purposes only, including general proxies, will be valid and accepted by the Association until their expiration.

9. Effect of Submitting Secret Ballot

- a. **ONCE A SECRET BALLOT IS RECEIVED BY THE INSPECTOR(S), THAT SECRET BALLOT CANNOT BE CHANGED, RETRIEVED, OR REVOKED.**
- b. Only one Secret Ballot may be submitted for each address. Once a Member submits a Secret Ballot with regard to a particular address, no other Secret Ballot or proxy may be submitted for that property. Should more than one Secret Ballot be submitted with regard to a particular address, the Secret Ballot which was earliest received may be counted for that property or the Inspector(s) may determine to not count either Secret Ballot. If it cannot be determined which Secret Ballot was earliest received, no Secret Ballot will be counted for that property except one Ballot for quorum purposes only.

10. Registration of Secret Ballots at the Meeting

- a. Verification of information on the outside of Envelope #2 and registration of envelopes received may be performed by the Inspector(s) or his/her designees prior to the Meeting or deadline for voting.
- b. Registration will be conducted by the Inspector(s) of Election or their designees.
- c. The Ballots will be opened and votes counted and tabulated by the Inspector(s) at a duly noticed Membership or Board Meeting in front of any Members or candidates who may wish to witness the registration and opening and counting of the Secret Ballots or Proxies once quorum is obtained.
- d. All Secret Ballots must be sealed in the two sealed envelopes and contain all required information on the upper left-hand corner of Envelope #2.
- e. The Inspector(s) will review the information provided on the upper left-hand corner of Envelope #2. The Inspector(s) will require, at a minimum, the following:
 - i. The Member must print his/her name or place a label on Envelope #2, it must be legible and must match the name of at least one (1) of the record Members as shown on the Association's voter list;
 - ii. The Member's (or, in the case of a Secret Ballot cast pursuant to proxy, the proxy holder's) signature must be on Envelope #2;
 - iii. The property address shown on Envelope #2 must correspond to the Member's property address on the Association's records. The Inspector(s)

will determine whether the failure to include information on Envelope #2 may result in the Secret Ballot being counted for quorum purposes only, or not counted for any purpose;

- iv. If any Member fails to put a Secret Ballot into both of the sealed envelopes, and/or sends/delivers empty envelopes, the envelopes will not count for any purpose, including quorum.

11. Registration of Members in Person

- a. A Member wishing to vote in person at the Membership Meeting must present himself/herself to the Inspector(s) with identification acceptable to the Inspector(s) to show that he/she is an Association Member. The holder of a general power of attorney for a Member must present the original, signed, notarized general power of attorney and identification to show that he/she is the attorney-in-fact and that the general power of attorney authorizes the attorney-in-fact to act with regard to Association related matters.
- b. A Member may not revoke or change any previously received Secret Ballot. A Member may attend the Meeting, but will not be given a new Secret Ballot to vote at the Meeting if the Association has received a Secret Ballot for that property address.
- c. If a Secret Ballot has not been previously received by the Inspector(s) for a particular property address, a Member in attendance at the Meeting from that property address will be given a Secret Ballot along with two envelopes to mark and cast in secret at the Membership or Board Meeting. The Inspector(s) will mark the registration list to memorialize that the Member received a Secret Ballot at the Membership or Board Meeting. Such Secret Ballots may, at the discretion of the Inspector(s), be on paper of a color different than the color used for Secret Ballots cast by mail. Such Secret Ballots will only be counted at any Membership Meeting or Adjourned Meeting if properly placed into both Envelopes #1 and #2, and if they are otherwise valid pursuant to these Election Rules and California law.
- d. Members voting in person at the Meeting must still use Envelopes #1 and #2, and Envelope #2 must be filled out, sealed and signed. Failure to use the two envelope system at the Meeting may lead to invalidation of the Secret Ballot cast at the Meeting and may prevent the Secret Ballot from being counted at any adjourned date if the Meeting is adjourned for lack of a quorum.

12. Registration of Proxies/Determination of Quorum

- a. If a Member brings proxies to the Membership Meeting, the Inspector(s) will review and make all necessary determinations regarding those proxies, including the validity of those proxies. The Inspector(s) are not required to observe and verify that Secret Ballots are marked by the proxy holder in the manner instructed by the proxy giver.

- b. The Inspector(s) will determine, if possible, whether quorum has been obtained, based upon the count of the number of Members voting by proxy or by a mailed or delivered Secret Ballot as shown on the registration list. The Inspector(s) may make this determination at any time, including prior to a Meeting.
- c. If a Member has cast a Secret Ballot by mail or delivery which is received by the Inspector(s) prior to the Inspector(s)' receipt of a Secret Ballot cast by the Member's proxy holder, the Member's Secret Ballot will supersede and control over any proxy submitted or any Secret Ballot later cast by the Member's proxy holder.
- d. A Member may revoke his/her proxy by casting a Secret Ballot by mail or delivery to the Inspector(s) or as otherwise provided in Corporations Code Section 7613, provided such revocation is completed prior to the Inspector(s)' receipt of a Secret Ballot from the Member's proxy holder and in advance of any vote or Membership Meeting.
- e. Upon determination that a quorum has been obtained, the Inspector(s) may close registration and close the polls at the Membership Meeting.

13. Adjourned for Lack of Quorum/Adjourned Meetings

- a. Any Membership Meeting may be adjourned to a later place and/or time by the vote of the majority of Members present in person, by valid power of attorney, or by valid proxy. If quorum is not obtained, a majority of the Members present in person, by valid power of attorney, or by valid proxy may adjourn the Meeting but may take no other action. (Bylaws, at Article IV, Section 6; Corporations Code Section 7512). The Members at any reconvened/adjourned Meeting may take any action that might have been legally transacted at the original Meeting.
- b. The required quorum at any Adjourned Membership Meeting consists of 50% of the record Members of the Association. (Bylaws, at Article IV, Section 6).
- c. Secret Ballots which are received by the Inspector(s) in properly completed, sealed Envelopes #1 and #2 will be valid for Adjourned Membership Meetings.
- d. No Ballots may be opened or counted at Membership or other Meetings unless and until a quorum is present.
- e. The Secret Ballots will be opened and counted during duly noticed Board or Membership Meetings. The Inspector(s) may request that any Meeting be recessed to allow the Inspector(s) to complete the counting and tabulation of the Secret Ballots at another time. Notice of the recessed Meeting will be given as required by law. The Inspector(s) will continue to maintain custody of all Secret Ballots and maintain the confidentiality of any count and tabulation, until the counting and tabulation is complete or may delegate custody of Ballots and information to management.

14. Observation/Custody of Ballots, Etc.

- a. Any candidate or Association Member may witness the opening of the Ballots, and the counting and the tabulation of the votes.
- b. No person may open any envelopes or otherwise review any Secret Ballot prior to the time and place at which the envelopes are opened and the Secret Ballots are counted and tabulated by the Inspector(s).
- c. The Secret Ballots and other election materials at all times will be in the custody of the Inspector(s) or his/her/its designee at a location designated by the Inspector(s) for one (1) year after the tabulation of the votes, at which time custody shall be transferred to the Association.
- d. The Inspector(s) may delegate the custody of the Ballots/Election materials to the Association's custodian of records.

15. Consultation With Association Counsel

The Inspector(s) will have the authority to confer with Association legal counsel in advance of or at the Meeting. Legal counsel represents the Association and does not represent the Members, candidates, Inspector(s), Board Members, management or any other individual. By the adoption of these Election Rules, Association legal counsel has been authorized by the Board of Directors to provide advice to and to waive the attorney-client confidential communication privilege as determined necessary or prudent by the attorney to inform and advise the Inspector(s) regarding issues or matters related to the Inspector(s) performance of their duties for the Association. The Inspector(s) may confer with Association legal counsel outside the presence of the Members.

16. Tabulation, Counting, Inspectors' Conduct, Etc.

- a. Once quorum has been obtained, the Inspector(s) may open the sealed Ballot envelopes and begin the count and tabulation of the Ballots at a duly noticed Membership Meeting or Board Meeting.
- b. All Ballots shall be opened and votes shall be counted and tabulated by the Inspector(s) in public, at a properly noticed open Meeting of the Board or of the Members.
- c. If the Inspector(s) open the envelopes and determine that there is no Secret Ballot in an envelope, the empty envelope will not be counted towards a quorum or for any other purpose.
- d. Members and candidates may witness the counting and tabulation from a distance of at least six (6) feet from any Inspector.

- e. The Inspector(s) are not required to provide Members or candidates with information, answer questions, or engage in discussion. Inspector(s) shall not provide any interim counts or tabulations.
- f. Members and candidates may not communicate with the Inspector(s) during the inspection, opening, counting or tabulation process.
- g. Any witness or observer may be ejected or removed by the Inspector(s) for any disruptive, noisy, or rude behavior.
- h. Inspector(s) shall make all determinations regarding Ballots and vote counts, including deciding whether to count a Ballot for quorum purposes if the Inspectors find they cannot determine the voter's intent as to how votes should be cast. Any Secret Ballot must be legible and clearly marked. If the Secret Ballot is marked to cast more votes than the maximum number of votes permitted (overvote), no votes will be counted, and the Secret Ballot will be used for quorum purposes only. A Member does not have to use all of his/her votes, and may cast fewer votes than the maximum number of votes allowed (undervote).
- i. If a Secret Ballot is signed or other identification is written on the Secret Ballot by the Member, the Inspector(s) may determine to count the Secret Ballot. However, the Association will not protect the Member's privacy and will not be responsible for redacting that information in the event a recount or review of the Secret Ballots is requested.
- j. The Inspector(s) will certify the results of the election and vote by completing a written report of the Inspector(s) of Elections.
- k. The candidate(s) receiving the highest number of votes will be elected.
- l. If the number of candidates for the Board of Directors does not exceed the number of seats to be filled, those Members and valid holders of general power of attorney forms, and valid proxy holders who are present at the Meeting may cast Secret Ballots in favor of or opposed to election of the candidates as presented. This vote must take place by Secret Ballot. Should changes in California law allow election of candidates by acclamation, including any statutes that would not require the Association to send out Secret Ballots under certain circumstances, or if a voice vote or vote by show of hands would be permitted, a vote by acclamation may proceed as allowed by law.

17. After Tabulation

- a. Results of the election or vote shall be announced and be promptly reported to the Board of Directors and the tabulation recorded in the minutes of the next Meeting of the Board. The Inspector(s) may also determine whether the tabulated results will be announced at the Meeting.

- b. The tabulated results shall be available for review by all Members after the certification of the Membership Meeting by the Inspector(s).
- c. Tie Votes: For election of Directors, in the event of a tie vote among any number of the candidates, the Association will notice a Special Membership Meeting and send out Ballots to all Members for a vote to break the tie. Said vote shall be conducted in accordance with the procedures herein, to the extent they are applicable to a run-off vote. No previously cast Ballots will be used at the Meeting to break the tie.
- d. The tabulated results of the election/vote shall be promptly reported to the Board and shall be available for review by the Members of the Association. Within fifteen (15) days of the election/vote, the Board shall give general notice of the tabulated results of the election/vote.
- e. The Secret Ballots, signed voter envelopes, voter list, proxies, and the candidate registration list will be stored in a secure place in the custody of the Inspector(s) or in a location designated by the Inspector(s) for one year after the date of the election/vote at which time custody shall be transferred to the Association.
- f. In the event of an election challenge, the Inspector(s) shall, upon written request, make the Ballots available for inspection and review by an Association Member or the Member's authorized representative. In order to protect the security of the Secret Ballots, one or more Association representatives must be present during such review.
- g. Any recount shall be conducted in a manner that shall preserve the confidentiality of the vote. However, the Association will not be responsible for redacting or otherwise protecting any identification/other information which is written on a Secret Ballot by a Member.
- h. The Inspector(s) may establish rules and procedures for the review and recount by Members.

18. Access to Association Facilities and Communications/Use of Association Funds

- a. If any candidate or Member advocating a point of view is provided access to any Association media, including newsletters, internet websites, or other Association publications during any campaign, for purposes that are reasonably related to that election, then all candidates and Members advocating a point of view shall be provided with equal access for purposes reasonably related to that election.
- b. The Association shall not edit or redact the content from the communications of candidates and Members advocating a point of view, but may provide a statement specifying that the candidate or Member, not the Association, is responsible for that content.

- c. Access to common area meeting space will be made available to all candidates and Members advocating a point of view, for purposes reasonably related to the election or vote, at no charge. The Association may set forth the specific dates and times at which such access will occur in the Notice of the Membership Meeting.
- d. Each candidate or Member advocating a point of view may prepare and deliver to the Association's managing agent a statement not exceeding 150 words to be provided to Members through Association media. The Association shall not edit or redact any content from such campaign communications. The candidate or Member who issues the communication shall be solely responsible for its content.
- e. Access to common area meeting space will be made available to all candidates and Members advocating a point of view, for purposes reasonably related to the election or vote, at no charge. The Association may set forth the specific dates and times at which such access will occur in the Notice of the Membership Meeting.
- f. If a Member wants to advocate a point of view, for purposes reasonably related to the election or vote, a Member may submit a written statement to the Association. The Association is not required to send notice to Members of their opportunity to submit a written statement advocating a point of view. The Association may choose to send out a separate courtesy form for a Member to submit their statement, but even if no form is provided a Member may still submit a written statement.

THE FOREGOING ASSOCIATION VOTING AND ELECTION RULES AND PROCEDURES WERE ADOPTED _____, 20__, by the Board of Directors in a duly noticed open Board meeting following the Board's compliance with Civil Code Section 4360.

ATTESTED TO:

By: _____

Secretary: _____

Notice of Association Rules adoption was mailed to the Membership within fifteen (15) days of the adoption date.

ATTESTED TO:

By: _____

Title: _____

OSBORNE PARK HOA

2020 BOARD CANDIDATE NOMINATION FORM

There are Five (5) seats up for election on the Board of Directors. The election will be on March 31, 2021.

If you are owner in good standing with the HOA and interested in running for the position of Director, please complete the information below & return to: Osborne Park HOA c/o Inspector of Elections, PO Box 131025, Carlsbad, CA 92013.

This form must be received by January 15, 2021 in order for your name to be placed on the ballot.

NAME: _____

PROPERTY ADDRESS: _____

DAY TIME PHONE: (_____) _____ - _____ EMAIL: _____

Experience: (not necessary to serve): _____

Please state your objectives for the Association: _____

SIGNATURE: _____ DATE: _____

Osborne Park, Inc.

BOARD OF DIRECTORS

2438 E. Vista Way, Spc 14

Vista, CA 92084

January 16, 2024


Osborne Park, Inc:

Qualifications for Board of Directors

- ☐ Must be Legal Resident of Osborne Park (Resident Owner-not second home, investment, etc.).
- ☐ Not a convicted felon that would endanger Osborne Park's Insurance Policy.
- ☐ 1 year Ownership of Osborne Park property (By-laws call for 6 months, however Davis-Stirling changed this to 1 year approximately 3 years ago).
- ☐ Must not have a Conflict of Interest (as stated in Davis-Stirling's laws approximately 3 years ago).
- ☐ Must have legal Membership Certificate and paid corresponding fee.

Meeting adjourned.

Hereby Sworn Under Penalty of Perjury:


Respectfully Submitted by: Elaine Johnson, Osborne Park Board of Directors

Secretary/Treasurer

CANDIDATE QUALIFICATIONS

Normally, homeowners would be allowed to establish candidate qualifications for those who represent them. (Corp. Code § 7151(c)(3).) Beginning January 1, 2020, a bill sponsored by Marjorie Murray's Center for California Homeowner Association Law (CCHAL) voided all community association candidate qualifications except for those allowed by her organization's bill. It imposed one mandatory qualification and gave associations permission to adopt only four other qualifications as set forth below.

Mandatory Qualification. Associations are required to disqualify nominees as candidates for election as delegates and board members who are not members of the association at the time of the nomination. (Civ. Code § 5105(b).) The requirement excludes spouses who are not on title from serving on the board. This has proved particularly harmful to small associations that have difficulty recruiting volunteers to serve as directors.

Corporations and Companies. Entities such as corporations and companies can designate a non-member person to serve on the board. (Civ. Code § 5105(b)(2).) To verify the authority of the designating party, boards can review a company's governing documents or the minutes of a corporation's board meeting designating their representative. For family trusts, the trustee on title to the property can serve on the board.

Recommendation: Associations should amend their bylaws and election rules to limit entities that own multiple units from holding multiple seats on the board of directors.

Permissive Qualifications. Beginning January 1, 2020, there are only four candidate qualifications associations are allowed to adopt. A person can be disqualified from serving on the board if:

- *Delinquent.* The person is delinquent in the payment of regular and special assessments unless (i) paid under protest, (ii) entered into a payment plan, or (iii) was not offered Internal Dispute Resolution (IDR) by the association. (Civ. Code § 5105(c)(1) & (d).)
- *Joint Ownership.* If the person, if elected, would be serving on the board at the same time as another person who holds a joint ownership interest in the same separate interest parcel as the person and the other person is either properly nominated for the current election or an incumbent director. (Civ. Code § 5105(c)(2).)
- *Owner Less Than One Year.* If that person has been a member of the association for less than one year. (Civ. Code § 5105(c)(3).)
- *Criminal Conviction.* A past criminal conviction that either (i) prevents the association from purchasing the fidelity bond coverage required by Section 5806 should the person be elected or (ii) terminate the association's existing fidelity bond coverage as to that person should the person be elected. (Civ. Code § 5105(c)(4).)
- *Term Limits.* In initially voided by Marjorie Murray's organization, the legislature restored term limits in 2022.

Qualifications That Are No Longer Allowed. Marjorie Murray's organization voided all other candidate qualifications. Following are some of the qualifications which are no longer allowed:

- The person must be in good standing. Now, a person can have significant architectural and rules violations and unpaid fines and still serve on the board.
- The person must not be in litigation with the association. Even though this creates conflicts of interest and confidentiality problems, persons suing the association can simultaneously serve on the board.
- The person has been convicted of a felony in the past ten years. As long as the association's fidelity bond is not affected, felons can now serve on the board.
- The person is a second or third-tier registered sex offender. They cannot be excluded unless it affects the fidelity bond.
- The person meets minimum age and residency criteria. This affects 55+ communities. It means an 18-year old who owns a unit through inheritance can serve on 55+ boards.

Verifying Qualifications. There is no requirement that the Board, management company, or Inspector of Elections verify candidate qualifications prior to mailing the ballots. However, if a candidate's qualifications have been challenged, the Inspector of Elections must investigate and make a decision as to whether a candidate is qualified. (Civ. Code § 5110(c).)

IDR Before Disqualification. Before disqualifying a nominee, the association must provide the person an opportunity to participate in internal dispute resolution. (Civ. Code § 5105(e).) The election timeline is so complicated that boards need an election timeline calculator to avoid making errors in setting dates for their election cycle.

Qualifications Via Rule Change. Even though the bylaws may be silent on director qualifications or contain invalid qualifications, the court of appeals in *Friars Village v. Hansing* ruled that boards can adopt director qualifications in their election rules without amending their bylaws. This same authorization can be found in Civil Code § 5105(c)

Director No Longer Qualified. Once a director is no longer qualified to serve on the board, e.g., he/she ceases to be an owner, the person's seat can be vacated by the board and a new director appointed to fill the seat (unless the bylaws require seats be filled by vote of the membership). NOTE: There is a split in legal opinions on whether vacating the seat is required. Some believe it is legitimate for the director to complete his/her term on the board but not be eligible thereafter to run for or be appointed to the board.

Removing Directors. Directors can be removed by disqualification via the governing documents, by action of the courts, or by the membership.

- *By the Governing Documents.* In addition to qualifications for election to the board, many associations include conditions for removing a director from the board. For example, bylaws can authorize the board to vacate a director's seat if the director misses three regularly scheduled meetings in a row or four in a twelve-month period. For more information, see Director Removal.
- *By the Membership.* See Recall of Directors.

- *By the Courts.* A legal proceeding to remove a director from the board may be brought by the board. See Removal by the Court.

ASSISTANCE: For assistance establishing director qualifications for your association, contact us. To stay current with issues affecting community associations, subscribe to the Davis-Stirling Newsletter.



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