

ELECTION RULES

HIGH VALLEY RANCH HOMEOWNERS ASSOCIATION

The following election rules are adopted to comply with the requirements of the Davis-Stirling Act and to provide for fair elections, subject to all applicable and enforceable: (a) provisions of law, and (b) Articles of Incorporation, CC&Rs, and Bylaws. By-Laws/CC&Rs supersede Election Rules in the event of a conflict or omission.

I. MEMBERSHIP MEETINGS

A. Meetings of the Membership.

1. **Annual Meetings.** Regular annual meetings of the Members shall be held within thirty days of the same day of the same month of each year thereafter the first annual meetings, at a time determined by the Board of Directors. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

2. **Special meetings.** A special meeting of the Members shall be promptly scheduled by the Board of Directors in response to the vote of the Board itself or a written request for a special meeting signed by Members representing at least five (5%) percent of the total voting power of the Association. The provisions of the Declaration, as related to special meetings of the Association, are incorporated herein by reference and made a part hereof as though set forth in full.

3. **Location of Meetings.** Meetings shall be held within the Planned Development or at a meeting place within the same county and as close to the Planned Development as possible.

B. Notice of Membership Meetings.

1. **Notice by Board.** Notice of all meetings of the members shall be given by the board. If the board fails to give notice, the persons calling the special meeting may give notice consistent with the governing documents and applicable law.

2. **Notice Period.** All notices shall be sent at least ten (10) days, but not more than ninety (90) days before the date of the meeting.

3. **Notice Contents.** The notice shall specify the place, date, and hour of the meeting and (i) in the case of a special meeting, the nature of the business to be transacted as specified by those persons calling the meeting (and that no other business may be transacted except as specified in the notice), or

(ii) in the case of the annual meeting, those matters which the board intends to present for action by the members.

4. **Delivery.** Notice of any membership meeting shall be given either personally or by first-class mail, charges prepaid, and addressed to each member: (i) at the address appearing on the books of the association, (ii) at the address given by the member for purpose of notice, or (iii) at the address of the member's unit, if no address appears on the association's books and no other address has been given. Notice shall be deemed to have been given at the time when delivered personally or deposited in the mail.

II. NOMINATIONS

A. Number of Directors. The board shall consist of three (3) directors.

B. Term of Office. Members shall elect two (2) Directors for a term of two (2) years and one (1) director for a term of one (1) year.

C. Qualifications. All Directors must be members of the Association.

D. Nominations. Nominations for election to the board of directors may be made by any of the following methods:

1. **Self Nomination.** Any qualified person may nominate himself or herself for election to the board of directors by submitting to the association a written statement signed and dated by the person nominating himself or herself. The association shall set a cut-off date for the receipt of self-nomination statements, which date shall be publicized in advance to the members.

2. **Nominating Committee.** The Nominating Committee shall be appointed by the Board of Directors not less than thirty (30) days prior to each annual meeting of the Association, to serve until the close of such annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

III. CAMPAIGNING

A. Access to Media.

1. **No Use of Association Resources.** The association's newsletter, website, bulletin board, or other association media may not be used for campaign purposes.

2. **Exception.** If any candidate or member is provided access to association newsletters, website, bulletin board or other association media during an election, for purposes that are reasonably related to that election, equal access shall be provided to all candidates and members. The access shall be limited to information relating to that election and shall include those candidates and members not endorsed by the board. The association shall not edit or redact any content from these communications, but may include a statement specifying that the candidate or member, and not the association, is responsible for that content. The association and its directors, officers, and agents, shall be immune from liability for the content of those communications to the fullest extent provided by law.

B. Use of Common Area During Election Campaign.

1. **No Cost for Use.** During an election campaign, each candidate and each member advocating a point of view reasonably related to the election shall be allowed to use, if available, the association's common area at no cost to the member or candidate.

2. **Reservation.** Each candidate or member who wants to use the common area pursuant to this rule must make a reservation in advance of the date and time requested. Candidates' and members' requests to use the common area shall be granted on a first-come, first-served basis, provided that the area is not already reserved. In order to assure fairness, each candidate may not reserve or use the common area for more than two (2) hours on any particular date. In addition, each candidate and each member shall only be allowed to make one (1) reservation per day to use the common area.

C. No Use of Association Funds for Campaign Purposes. Association funds may not be used for campaign purposes in connection with any board election and may not be used for campaign purposes in connection with any other association election except to the extent necessary to comply with duties of the association imposed by law. The association shall not include the photograph or prominently feature the name of any candidate on a communication from the association or its board, excepting the ballot and ballot materials, within thirty (30) days of an election. This restriction does not preclude directors from advocating the election or defeat of any issue or candidate on the ballot. However, they may not use association funds to do so.

IV. INSPECTORS OF ELECTION

A. Selection.

1. **Process.** Prior to the date ballots are first sent out, the board of directors shall, at an open meeting of the board, select either one (1) or three (3) persons as Inspectors of Election.

2. **Eligible Inspectors.** The board may select any of the following to serve as an Inspector of Elections:

- a. **Poll Worker.** A volunteer poll worker with the County Registrar of Voters;
- b. **Accountant.** A licensee of the California Board of Accountancy, including any such licensee under contract to the association;
- c. **Notary.** A notary public;
- d. **Recording Secretary.** A recording secretary, including any such recording secretary under contract to the association;
- e. **Association Members.** Members of the association, but not: (i) members of the board, (ii) candidates for the board, (iii) persons related to a member of the board, or (iv) persons related to a candidate for the board;
- f. **Person or Entity Under Contract to the Association.** A person, business entity, or subdivision of a business entity who is currently employed or under contract to the association for any compensable services;
- g. **Management Company Representative.** Representatives of any management company, including the representative of any management company under contract to the association.

B. Duties. Duties of Inspectors of Election shall include the following:

- 1. **Membership.** Determine the number of memberships entitled to vote and the voting power of each.
- 2. **Validity.** Determine the authenticity, validity and effect of proxies, if any.
- 3. **Closing of the Polls.** Determine when the polls shall close consistent with the governing documents.
- 4. **Receive Ballots.** Receive all ballots. Once a secret ballot has been received by an Inspector of Elections, it shall be irrevocable.
- 5. **Custody.** Maintain custody of the sealed ballots at all times. The sealed ballots at all times shall be in the custody of the inspector or inspectors of election or at location designated by the inspector or inspectors until after the tabulation of the vote and until the time allowed by Section 7527 of the Corporations Code for challenging the election has expired, at which time custody shall be transferred to the association. No person, including a member of the association or an employee of the

management company, shall open or otherwise review any ballot prior to the time and place at which the ballots are counted and tabulated. The Inspector of Elections or his or her designee may verify the member's information and signature on the outer envelope prior to the meeting at which ballots are tabulated.

6. **Challenges.** Hear and determine all challenges and questions in any way arising out of or in connection with the right to vote. If there is a recount or other challenge to the election process, the inspector or inspectors of election shall make the ballots available for inspection and review upon written request. An association member may authorize a representative to review the ballots on his or her behalf. Any recount shall be conducted in a manner that preserves the confidentiality of the vote.

7. **Counting.** Count and tabulate all votes. All votes shall be counted and tabulated by an Inspector of Elections or his or her designee in public at a properly noticed open meeting of the board of directors or members. Any candidate or other member of the association may witness the counting and tabulation of the votes.

8. **Appoint Assistants.** Appoint and oversee additional independent third parties to verify signatures, and to count and tabulate votes as the inspectors of election deem appropriate provided that such persons are independent third parties.

9. **Results.** Determine the tabulated results of the election.

10. **Impartiality.** Perform their duties impartially, in good faith, to the best of their ability, and as expeditiously as is practical. Any report made by the Inspectors of Election is prima facie evidence of the facts stated in the report.

11. **Miscellaneous.** Perform any acts as may be proper to conduct the election with fairness to all members in accordance with Civil Code section 1363.03, the Corporations Code, the association's governing documents, and all applicable rules of the association regarding the conduct of the election that are not in conflict with Civil Code section 1363.03.

C. Removal. The Board shall have the power to remove an inspector 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 in his/her place.

V. BALLOTS AND PROXIES

A. Voting Rights.

1. **Number of Votes.** Each member shall be entitled to one (1) vote for each Lot owned.

2. **Record Date.** Unless the Board sets a “Record Date” for an election, the Record Date shall be the date that ballots are mailed to the Membership. Only those Owners on title as of the Record Date shall be entitled to vote. Persons acquiring title to a Unit after the Record Date shall only be entitled to attend the election meeting.

3. **Proof of Membership.** No person or entity may exercise the rights of membership without an ownership interest in property subject to the association’s CC&Rs. If the board should request proof of ownership, such proof shall be in the form of recorded deed or, if the property was transferred within the past thirty (30) days and a copy of the newly recorded deed is not available, a completed escrow closing statement.

4. **Cumulative Voting.** Cumulative voting shall be utilized during all elections in which two (2) or more positions on the Board are to be filled. A Member shall be entitled to cumulate his or her vote for one or more candidates for the Board of Directors if the candidate’s name has been placed in nomination prior to voting and if the Member has given notice at the meeting prior to the voting of his or her intention to cumulate votes. If any one Member has given such notice, all Members may cumulate their votes for candidates in nomination.

5. **Co-Owners.** Where there is more than one (1) owner of a property (“co-owner”) subject to the association’s CC&Rs, all such co-owners shall be members and may attend any meeting of the association, but only one co-owner shall be entitled to exercise the vote to which the property is entitled.

6. **Presumption of Consent.** Unless the Inspector of Elections receives a written objection prior to the close of balloting from a co-owner, it shall be conclusively presumed that the voting owner is acting with the consent of his or her co-owners.

7. **Voting for Candidates Properly Nominated.** Members must vote only for those candidate(s) who have been properly nominated prior to the close of nominations.

B. Proxies.

1. **Proxies.** At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary and/or the management company before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot, or upon receipt of notice by the secretary of the Board of the death or judicially declared incompetence of a member, or upon the expiration of eleven (11) months from and after the date of its execution, unless the Member executing it specifies therein the length of time for which the proxy is to continue in force, which in no case may exceed three (3) years from and after the date of its execution.

2. **Proxy Form.** Any instruction given in a proxy issued for an election that directs the manner in which the proxy holder is to cast the vote shall be set forth on a separate page of the proxy that can be detached and given to the proxy holder to retain. Proxies must meet all requirements of Chapter 4 of Article 2 of the Davis-Stirling Act, other laws, and the association's governing documents.

3. **Vote by Proxy Holder.** The proxy holder shall cast the member's vote by secret ballot unless the proxy is revoked by the member prior to the receipt of the ballot by an Inspector of Elections as described in Section 7613 of the Corporations Code.

4. **Who May be Proxy.** As provided for in Civil Code §1363.03(d), proxy holders must be Members.

C. Ballots.

1. **Official Ballots/Non Revocable.** Only those ballots printed by the association or the Inspector of Elections shall be considered official secret ballots. Official secret ballots shall be delivered by the association to every member. Voters cannot substitute their own ballots for official ballots. Once an official secret ballot has been received by an Inspector of Elections, it shall be irrevocable.

2. **Secret Ballot.** All items legally requiring a vote of the membership shall be held by secret ballot, including but not limited to assessments, selection and removal of members of the association's board of directors, amendments to the governing documents, or the grant of exclusive use of common area property.

a. **Signature.** The ballot should be filled out, but not signed by the voter.

b. **Inner Envelope.** After the unsigned ballot is filled out, it must be inserted into an inner envelope which is then sealed. This sealed inner envelope must be inserted into a second envelope, which is also sealed.

c. **Second Envelope.** In the upper left hand corner of this second envelope, the voter must sign his or her name, indicate his or her name, and indicate the address or separate interest identifier that entitles him or her to vote. The second envelope must be addressed to the Inspector of Elections who will be tallying the votes.

d. **Delivery.** The envelope may be mailed to the address on the envelope or delivered by hand to a location specified by the Inspectors of Election. The member may request a receipt for delivery.

3. **Quorum by Ballot.** Each ballot received by an Inspector of Elections shall be treated as a member present at a meeting for purposes of establishing a quorum.

4. **Ballot Delivery to Members.** Ballots and two (2) preaddressed envelopes with instructions on how to return ballots shall be mailed by first-class mail or delivered by the association to every member not less than thirty (30) days prior to the deadline for voting. In order to preserve voter confidentiality, a voter may not be identified by name, address, or lot, parcel or unit number on the ballot.

5. **Ballot Markings.** A ballot which contains any of the following symbols shall be counted and tabulated as if said symbol was the number "1": an "x", a checkmark, or any non-numerical symbolic designation indicating the voter's intent to vote for any particular candidate, issue or ballot measure. A ballot shall not be invalidated solely due to the inclusion of a signature thereon.

VI. MEETING PROCEDURES

A. Chair of Meeting. The President shall preside at all meetings of the Board of Directors.

B. Quorum. The presence at any meeting, either in person or proxy, of Members entitled to cast at least fifty-one (51%) percent of the total voting power of the Association shall constitute a quorum for any action except as otherwise provided in the Restrictions.

C. Loss of Quorum. The members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment notwithstanding the withdrawal of enough Members to leave less than a quorum; provided that at least twenty-five (25%) percent of the total voting power of the Association remains present in person and/or by proxy, and provided further that any action taken shall be approved by at least a majority of the Members required to constitute a quorum.

D. Lack of Quorum. In the absence of a quorum, a majority of the Members entitled to vote thereat shall have the power to adjourn the meeting to date not less than five (5) days nor more than thirty (30) days from the meeting date, at which meeting the quorum requirements shall be one-third (1/3) of the total voting power.

E. Counting Ballots. The Inspectors of Election, or his or her designee, shall count and tabulate all official ballots in public at a properly noticed open meeting of the board of directors or members. No person, including a member of the association or an employee of the management company, shall open or otherwise review any ballot prior to the time and place at which the ballots are counted and tabulated. Any candidate or other member of the association may witness the counting and tabulation of the votes.

F. Breaking a Tie. In the event of a tie, all other newly elected Directors shall immediately begin serving their terms. An incumbent Director whose seat was tied shall continue in office until a runoff

election determines the winner for his/her seat. Only those candidates who tied for the seat shall be in the runoff. In lieu of a runoff and if the tied candidates agree, the winner may be decided by a coin toss or the drawing of names by the Inspector of Elections.

VII. POST-ELECTION RESULTS

A. Results of the Election. The tabulated results of the election shall be announced immediately after all the ballots have been counted. The tabulated results of the election shall be promptly reported to the board of directors of the association and shall be recorded in the minutes of the next meeting of the board of directors and shall be available for review by members of the association. Within fifteen (15) days of the election, the board shall publicize the tabulated results of the election in a communication directed to all members.

B. Status of the Ballots after Election. The sealed ballots at all times shall be in the custody of the inspector or inspectors of election or at a location designated by the inspector or inspectors until after the tabulation of the vote and until the time allowed by Section 7527 of the Corporations Code for challenging the election has expired, at which time custody shall be transferred to the association. After the transfer of the ballots to the association, the ballots shall be stored by the association in a secure place for no less than one (1) year after the date of the election.