

ELECTION RULES

GREEN VALLEY LAKE COMMUNITY ASSOCIATION, INC.

1. Application of Rules. These Election Rules are intended to comply with CA Civil Code Sec. 5100 through 5135, and shall apply to Member voting regarding: (1) assessments legally requiring a vote; (2) election and removal of directors; (3) amendments to the governing documents; (4) the grant of exclusive use of common area; and, (5) at the discretion of the Board of Directors with respect to any other matter that may be the subject of a vote of Association Members. These Election Rules shall be effective on the date of adoption, shall supersede any other rules of Green Valley Lake Community Association, Inc. (the "Association") affecting voting or elections, and shall remain in effect until modified by the Board of Directors (the "Board").

2. Equal Access to Association Media and Meeting Space.

2.1 Association Media. The Board may, in its sole discretion, make one or more of the Association's media available to qualified candidates running for election to the Board for purposes that are reasonably related to the election in which that candidate is running. If the Board allows any candidate access to any type of Association media, then all qualified candidates shall be allowed equal access to the same media (e.g., newsletter, website, common area bulleting board, or other notices provided to the Members). All statements published in Association media pursuant to this section must include the identity of the author, and the author shall be solely liable for the content of their statements. Anonymous statements will not be permitted.

2.2 Meet the Candidates. For each election of Directors, the Association may schedule one Meet the Candidates meeting at the Association's common area meeting space (if any exists) where each nominated candidate may attend and speak to any Association Members choosing to attend, according to guidelines that may be established by the Board of Directors.

2.3 Informational Meeting. For each other election conducted subject to these Rules, the Association may schedule one Informational Meeting at the Association's common area meeting space (if any exists), at which any Member advocating a point of view reasonably related to the election may attend and address the attendees, according to guidelines that may be established by the Board of Directors.

2.4 No Association Funds for Campaign Purposes. No Association funds shall be used for campaign purposes in connection with any election that is subject to these Rules, except to the extent necessary to comply with the duties of the Association imposed by law (e.g., sending out voting materials).

2.5 Method of Compliance. This Section 2 specifies the manner in which the Association will comply with the requirement in Civil Code section 5105(a)(1) that "if any candidate or Member advocating a point of view is provided access to Association media, newsletters, or Internet Web sites during a campaign, for purposes that are reasonably related to

that election, equal access shall be provided to all candidates and Members advocating a point of view, including those not endorsed by the Board, for purposes that are reasonably related to the election," and the further legal requirement that access to common area meeting space be provided to all candidates and to all Members advocating a point of view for purposes reasonably related to the election.

3. Director Qualifications and Nomination Procedures.

3.1 Qualification of Candidates. Members must meet the qualifications contained in the subsections hereafter and in the Association's Bylaws (so long as they are not in conflict with these Election Rules) to be eligible for nomination as a candidate for, or to serve as a Director on, the Board. Before any candidate for nomination or serving Director may be disqualified, the Member must be provided the opportunity to engage in internal dispute resolution as provided in the Davis-Stirling Act.

3.1.1 Must Be a Member. Candidates for the Board must be Members at the time of their nomination. Entities that are not natural persons (such as a corporation or LLCs) shall have the power to appoint a natural person as the "Member" for purposes of director elections. The Association shall disqualify a nominee for the Board if the nominee is not a Member (or the duly-appointed natural person representing an entity who is a Member).

3.1.2 Must Be Current in Payment of Assessments. Candidates for the Board may not be delinquent by more than sixty (60) days in the payment of any regular or special Assessment, except:

- a. A Member may not be disqualified from nomination for nonpayment of fines, fines renamed as assessments, collection charges, late charges or costs levied by a third party.
- b. A Member may not be disqualified from nomination because the Member has paid the regular or special assessment under protest.
- c. A Member may not be disqualified from nomination if the Member has entered into a payment plan with the Association pursuant to Civil Code §5665 and is fulfilling the terms of the payment plan.

3.1.3 Co-Owners Eligible for Only One Position. No more than one (1) co-Owner of any particular unit/lot within the Association may serve on the Board at the same time.

3.1.4 Criminal Conviction. A Member may be disqualified from either serving on the Board or being a Candidate for the Board if the Member discloses, or if the Association becomes aware of, a past criminal conviction that would, if the Member was elected, either prevent the Association from purchasing the fidelity bond coverage required by Civil Code §Section 5806 or terminate the Association's existing fidelity bond coverage.

3.2 Solicitation/Nomination of Candidates. Not less than thirty (30) days prior to the deadline for submitting candidate nomination forms for open director positions, the Association

shall provide general notice of the nomination procedure and the deadline for submitting the form. Any Member who satisfies the qualifications, and is not otherwise prohibited from running for the Board, may nominate themselves for the Board by submitting a Candidate Self-Nomination form before the published deadline. The Board may also recruit qualified Candidates and/or may appoint a nominating committee to nominate qualified Candidates; however, if the nominee is interested in being a Candidate for the Board, that individual must still submit a Candidate Self-Nomination Form prior to the published deadline.

3.3 Candidate Registration List. The “Candidate Registration List” means the list of candidates who will appear on the ballot. The Association shall permit Members to verify the accuracy of their individual information on the Candidate Registration List at least thirty (30) days before the ballots are mailed. Any errors shall be reported by the Member to the Inspector of Elections, who shall make the correction within two business days. The Association may, at its discretion, report any known errors to the Inspector of Elections. The Candidate Registration List shall be retained as “association election materials” as required by law.

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

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

4. Inspector(s) of Election.

4.1 Inspector Duties. The Board shall appoint one or three Inspectors of Election who shall perform all functions required by Civil Code section 5110, including:

- 1) Determine the number of memberships entitled to vote and the voting power of each;
- 2) Determine the authenticity, validity and effect of proxies, if any;
- 3) Receive and be the custodian of ballots, and direct the location to which ballots shall be sent until tabulated by the Inspector(s) of Election;
- 4) Hear and determine all challenges and questions in any way arising out of or in connection with the right to vote;
- 5) Count and tabulate all votes;
- 6) Determine when the polls shall close, consistent with the governing documents;
- 7) Determine the tabulated results of the election;
- 8) Report the results of the election to the Board of Directors;

9) Perform any acts as may be proper to conduct the election with fairness to all Members in accordance with the law and all applicable rules of the Association regarding the conduct of the election that are not in conflict with the law;

10) Make any necessary corrections to the Candidate Registration List or the Voter List within two (2) business days of being informed of an error by the Association or a Member;

11) Deliver (or cause to be delivered) the following documents to the Members at least thirty (30) days before an election: a) the ballot by first-class mail; and, b) a copy of these Election Rules by (i) individual delivery or (ii) posting the internet website where these Election Rules may be accessed on the ballot together with the phrase in at least 12-point font, “The rules governing this election may be found here: [insert website address]”; and,

12) Retain the Association’s election materials as provided herein.

4.2 Eligible Inspectors of Election. Eligible Inspectors of Election include any person(s) the Board reasonably believes to be independent with respect to the matter or matters being voted on and may include Members of the Association, but may not be: i) a member of the Board or a candidate for election to the Board or be related to a current member of the Board or a candidate for election to the Board; or, ii) the Association’s manager, accountant, legal counsel, or any other person, business entity, or subdivision of a business entity who is currently employed or under contract to the Association for any compensable services other than serving as an inspector of elections.

4.3 Payment for Inspector of Election Services. At the discretion of the Board, the Association may provide reasonable compensation to the Inspector(s) of Election; however, no payment may be authorized for any Member appointed to serve as the Inspector of Elections.

4.4 Indemnification of Inspector(s) of Election. At the discretion of the Board, the Association may indemnify the Inspector(s) of Election to the fullest extent provided by law. The Association shall have the power to purchase and maintain insurance to protect it and/or the Inspector of Elections against any liability asserted against the Association and/or against the Inspector of Elections arising out of the Inspector of Elections’ acts and/or omissions relating to any Association vote or election.

4.5 Replacement Ballots. The Inspector(s) of Election shall have the sole authority to determine whether to issue a replacement ballot to a Member if requested by the Member who has not yet returned a completed ballot.

4.6 Appointment of Assistant(s). The Inspector(s) of Election may appoint and oversee additional persons to verify signatures and to count and tabulate votes as the Inspector(s) deem appropriate, provided that the appointed persons would themselves be eligible to serve as Inspector(s) of Election pursuant to Section 4.2, above.

5. Voting Rights.

5.1 Member Voting Rights. Each Member shall be entitled to one (1) vote with regard to each matter that is the subject of a pending election. For purposes of these Election Rules, therefore, all record owners of a single unit/lot shall collectively constitute one Member. If the joint owners of a separate interest are unable to agree amongst themselves as to how their vote is to be cast, they shall lose their right to vote on the matter in question. In an election of Directors, each Member shall be entitled to cast the number of votes equal to the number of Directors to be elected. Cumulative voting is not permitted. Write-in candidates are not permitted in an election of Directors.

5.2 Right to a Ballot. All Members shall be entitled to vote, and no Member shall be denied a ballot for any reason other than not being a Member. A person with a general power of attorney for a Member, who has provided satisfactory evidence thereof, shall not be denied a ballot and said ballot shall be counted if returned by the deadline for voting. Any such general power of attorney must conform to the laws of the state in which the power is conveyed, and said general power of attorney must be returned to the Association at or before the casting of the ballot for which voting rights have been delegated.

5.3 Voting Period. The voting period will run from the date on which ballots are distributed (as specified below) until the conclusion of the election.

6. Voting Procedures.

6.1 Notice of Election Prior to Mailing Ballot Materials. At least thirty (30) days before the ballots are distributed, the Association shall provide general notice of: a) the date and time by which, and the physical address where, ballots are to be returned by mail or handed to the Inspector of Elections; b) the date, time, and location of the meeting at which ballots will be counted; and, c) the Candidate Registration List, as defined herein.

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

6.3 Mailing of Voting Packets. For a vote on any of the matters specified in Civil Code Section 5100(a), voting by the Members shall be conducted by secret ballot using the double envelope system described in Civil Code Section 5115(a). Ballots and two envelopes

(plus candidates' statements, if any) with instructions on how to return the ballots shall be mailed by first class mail or delivered to all Members in such vote or election. Ballots shall be distributed a minimum of thirty (30) days prior to the deadline for voting.

The specific elections governed by Civil Code Section 5100(a) include elections regarding assessments legally requiring a Member vote, election and removal of directors, amendments to the governing documents and grants of exclusive use common area pursuant to Civil Code Section 4600. For votes on other matters, voting may be by secret ballot or by written ballot, and ballots may be distributed a reasonable time (which may be less than thirty days) prior to the deadline for voting.

6.4 Alphabetical Candidate Listing on Ballot. In any election of Directors, each candidate's name shall be listed alphabetically.

6.5 Receipt of Ballots.

6.5.1 All ballots shall be received by the Inspector(s) of Election at locations as specified by the Inspector(s) of Election.

6.5.2 If so directed by the Inspector(s) of Election, a log may be maintained of all ballot envelopes received, noting whether the outer envelopes were signed or unsigned. The Inspector(s) of Election may contact Members who return unsigned envelopes and make arrangements for Members to sign the envelopes prior to the date that the ballots are opened and tabulated.

6.5.3 A ballot may not be revoked once it has been received by the Inspector(s) of Election. A ballot shall be considered received when the voting packet envelope (the outer envelope containing the inner envelope containing the ballot) has been received by the Inspector(s) of Election.

6.5.4 Each ballot received by the Inspector(s) of Election shall be treated as a Member present at a meeting for purposes of establishing a quorum if a quorum is required by the governing documents or California law to conclude the election.

6.5.5 All voting packet envelopes containing ballots shall remain sealed and in the possession of the Inspector(s) of Election (at a location designated by the Inspector(s) of Election) until opened and tabulated by the Inspector(s) at a properly noticed, open meeting of the Members or the Board of Directors.

6.6 Proxies. Proxies may be used by the Members at a membership meeting only as authorized in the Bylaws. In any election or vote of the Members conducted by the Association, only official ballots issued by the Association shall be counted as votes. Proxies are not ballots and are not valid as votes in any election or vote conducted by the Association.

6.7 Election by Acclamation. If, as of the published deadline for nominations, the number of qualified candidates nominated does not exceed the number of Directors to be elected,

then the individuals nominated and qualified to be elected may be declared elected on a date determined by the Board and the Inspector(s) of Election, in which case written notice of the election results shall be given to the Members.

6.8 Frequency of Elections. The Association shall hold an election for a seat on the Board at the expiration of the corresponding director's term and at least once every four (4) years, or sooner if required by the Bylaws.

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

7. Tabulation of Ballots.

7.1 The voting packet envelopes shall be opened by the Inspector(s) of Election after the close of the election, which shall be determined by the Inspector(s). The outer envelopes and each ballot shall be separately retained by the Inspector(s). The Inspector(s) of Election, or their designees, may verify the Member's information and signature on the outer envelope prior to the meeting at which ballots are tabulated.

7.2 The voting packet envelopes shall be opened and the ballots tabulated by the Inspector(s) of Election in public at a properly noticed, open meeting of the Members or of the Board of Directors.

7.3 Any candidate or other Member of the Association may witness the counting and tabulation of the votes. However, no Association Member or candidate shall communicate with the Inspector(s) during the tabulation process, and all Members and candidates must remain at least five feet away from the counting area. The Inspector(s) of Election may cause the removal of any observer who interferes with or disrupts the counting or tabulation process.

7.4 At the meeting at which ballots are to be opened and tabulated, the Inspector(s) of Election may announce to the Members present those Members who neglected to sign the outer envelope and provide an opportunity for those Members to sign the outer envelope prior to tabulation of the ballots.

7.5 In the event there is a tie between candidates for the last open position on the Board, a runoff election shall be conducted via secret written ballot in accordance with these Rules. Only candidates who tied for the seat will be in the runoff. An incumbent Director whose seat was tied will continue in office until a runoff election determines the winner for his/her seat.

7.6 The results of the election shall be promptly reported to the Board of Directors, shall be recorded in the minutes of the next meeting of the Board of Directors, and shall be available for review by the Members of the Association. Within fifteen (15) days of the election, the Board shall give the Members general notice of the election results.

7.7 All “association election materials” (including ballots, signed voter envelopes, the Voter List, proxies and the Candidate Registration List) shall at all times be in the custody of the Inspector of Elections or at a location designated by the Inspector of Elections for a period of one (1) year after the Board provides general notice of the election results to the Members, and the materials shall thereafter be transferred to the Association. The Association shall retain the “association election materials” for the current fiscal year and prior two (2) fiscal years, after which they may be destroyed.

8. Post-Election Procedures.

8.1 The results of the election 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.

8.2 The Board of Directors shall give general notice of the tabulated results of the election within 15 days by a communication directed to all Members.

8.3 One year after the conclusion of the election, the Inspector(s) of Election shall transfer custody of all “association election materials” to the Association.

8.4 In the event of a re-count or challenge, the Inspector(s) of Election shall, upon written request, make the ballots available for inspection by the challenging Association Member or its authorized representative. Any re-count shall be conducted in a manner designed to preserve the confidentiality of the vote.

9. Amendments. These Election Rules may be amended from time to time, except that they may not be amended less than ninety (90) days prior to an election unless that amendment is merely to conform to non-discretionary changes in the law.

Adopted on _____, 2020
by the Board of Directors