

LAKE LINDERO HOMEOWNERS ASSOCIATION
ASSOCIATION MEMBERSHIP MEETING AND VOTING RULES
(Election)
(Revised Civil Code Section 1363.03 – effective 7/1/06)

I. Membership Meetings

- A. Pursuant to the CC&Rs, Bylaws and these Election Rules and Regulations (“Rules”), the Association will hold meetings of the Membership to elect directors and to conduct Association business. The Association's Annual Meeting, as required by the Association's Bylaws, will be held on a date and time specified in these Rules and consistent with the Association's Bylaws (Article XI, Section 1). In the alternative, other meetings of the Members (“Special Membership Meetings”) may be noticed and held by the Association to consider and vote on matters, other than the election of Directors, which are of concern to the Members, required by the Bylaws or State statute. Record dates for determining Members entitled to receive notice of the meeting and for determining Members entitled to vote at the meeting shall be established in accordance with Article IV of the Bylaws and Corporations Code Section 7611. In the alternative, and only for the Election of Directors, the Board may schedule a Board meeting to allow for the counting of Secret Ballots.
- B. The Members of the Association who are in good standing may vote at all Membership meetings or at a Board meeting scheduled to allow for the counting of Secret Ballots. A Member is in “Good Standing” for voting purposes unless their Association rights and privileges have been suspended after notice and opportunity for hearing before the Board of Directors in accordance with Article III, Section 2 of the Bylaws and Corporations Code Section 7341 and Civil Code Section 1363(h).
- C. All Special Membership and/or Board meetings scheduled to allow for the counting of Secret Ballots shall be conducted in accordance with the Association's governing documents defined as the Association's CC&Rs, Bylaws, Articles of Incorporation and all Association Rules and Regulations (“Governing Documents”) as well as the California Corporations and Civil Codes, as applicable.
- D. Members will have one vote per separate interest owned.
- E. For election of Directors, cumulative voting will be used as permitted by the Association's Bylaws at Article VIII, Section 2. (“Cumulative Voting” means that a Member may cast all votes for one Candidate or divide up the votes

among the Candidates at their option) No fractional votes are permitted or allowed for Election of Directors.

II. Board of Directors

- A. The Board of Directors will consist of five (5) Directors (Article VI, Section 2). Directors are elected and shall hold office until their respective successors are elected or until their death, resignation or removal.
- B. No Director may serve on the Association's Board if previously convicted of a felony or declared of unsound mind by a court of competent jurisdiction.
- C. Directors must be elected solely by Secret Ballot as provided in these Rules and Civil Code Section 1363.03, as amended, and any successor statute. Voice vote, show of hands, or any method, other than Secret Ballot, shall be prohibited.

III. Annual Meeting

- A. The Association's Annual Meeting will be held on or about the anniversary date of the first Annual Meeting. The Association shall send out a Notice of Annual Meeting ("Notice") to all Members pursuant to the Governing Documents and these Rules.
- B. The Notice shall include the following:
 - 1. Times when polls will open (when Ballots may/can be cast).
 - 2. Times when the Members and Candidates may witness the Member registration, as applicable, and the review, counting and tabulation of Secret Ballots by Inspectors of Election.
- C. The Association shall distribute to all Members a notice-seeking Candidate(s) for the Board ("Candidacy Notice"), at least ninety (90) days prior to the Annual Meeting date. The Candidacy Notice shall include a demand for certification by the Candidate that he/she has not been convicted of a felony or declared of unsound mind by a court of competent jurisdiction.
- D. The Candidacy Notice shall also include a space/form for each Candidate to submit a written statement reasonably related to the election, including advocating a point of view. The Board of Directors may limit the length of the Candidacy Statement. Candidates' statements will be included with the Association's mailing of the Notice and Secret Ballot materials if the Candidates' Statements are provided prior to the Association's mailing. The Candidates' statements will also be posted on the Association's web site, if applicable.

- E. The Candidacy Notice will provide a candidacy application that must be completed by the Candidate and received by the Association by the deadline stated in the application in order for a Candidate's name to appear on the Notice of Annual Meeting and the Secret Ballot. Notwithstanding the foregoing, if the fully completed application is not timely received by the Association, a Candidate may nominate himself or herself, or may be nominated by another Member, from the floor at the Annual Meeting. Members who desire to vote for any Candidate nominated from the floor must request and complete a Secret Ballot at the Annual Meeting if the Member has not previously voted the Member's Secret Ballot. A Secret Ballot once voted may not be rescinded by the Member and may not be replaced by subsequently voting a second Secret Ballot.
- F. If any Candidate or Member advocating a point of view is provided access to Association media during a campaign for the Board of Directors (such as newsletters, Internet or Web sites, etc.) for purposes reasonably related to that election, equal access shall be provided to all Candidates and other Members stating a point of view for purposes reasonably related to that election. The Association shall not edit or redact these statements but may include a statement specifying that the views expressed are the views of the Candidate or Member, and not the Association, which is not responsible for its content.
- G. 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, at no charge, on the specific dates and times which may be contained in the Notice of the Membership meeting or such other dates as requested in writing by the Candidate and/or Member.

IV. Secret Ballots

- A. The Association shall utilize a Secret Ballot process, as described below, for any or all of the following matters:
 - 1. A vote of the Membership regarding assessments per Civil Code Section 1366;
 - 2. Election of Members of the Association's Board of Directors;
 - 3. Amendments to the Governing Documents;
 - 4. Grant of exclusive-use Common Area property pursuant to Civil Code Section 1363.07;
 - 5. Any other purpose as required in the Civil Code.

V. Inspector(s) of Election for Secret Ballot Count

- A. The Secret Ballot Count shall be supervised by an Inspector or Inspectors of Election (one or three as required by Civil Code Section 1363.03). (The singular "Inspector" shall refer to both one Inspector or three Inspectors selected pursuant to these Rules.)
- B. At an open Board meeting, approximately ninety (90) days prior to the date of the Annual Meeting, or any Membership meeting in which Secret Ballots will be cast, one or three (at the Board's discretion) Inspectors will be selected and appointed by the Board of Directors.
- C. The Board may, at its sole discretion, select a Member or Members of the Association as Inspector(s), provided, however, that such Member is not:
 - 1. A Member of the Board of Directors;
 - 2. A Candidate for the Board of Directors;
 - 3. A relative of a Member of the Board, or of a Candidate; or
 - 4. A person currently employed by or under contract to the Association for other compensable services (except the Board may hire a CPA or accounting firm to act as Inspector even though the CPA or accounting firm is employed for audit, tax or other Association accounting work and may designate the Association's Managing Agent for the recount of Secret Ballots only).
- D. The Board may, at its sole discretion, select a Non-Member of the Association as Inspector, provided, however, that such non-Member is an independent third party, including, but not limited to, a volunteer poll worker with the county registrar of Voters, a licensee of the California Board of Accountancy, or a California notary public, and, provided that such non-Member is not currently employed by or under contract to the Association for other compensable services, (except the Board may hire a CPA or accounting firm to act as Inspector even though the CPA or accounting firm is employed for audit, tax or other Association accounting work and may designate the Association's Managing Agent for the recount of Secret Ballots only).
- E. If the Board does select a Non-Member of the Association as Inspector, the Inspector shall be required to obtain errors and omission insurance and provide proof of same to the Board prior to the commencement of the Inspector's work. The errors and omissions insurance policy shall be in an amount not less than one million dollars (\$1,000,000), that indemnifies the Association and its Board Members from liability and provides that the Association is a named insured of the policy.

- F. The Board may, in its discretion, pay compensation to the Inspector.
- G. The Board may, but shall not be required to, submit the selection of the Inspector to a vote of the Association Members. Notwithstanding the foregoing, if the Board fails to appoint Inspector(s), then, "upon demand" by the Members, the Board shall be required to submit to the Members the vote for the Inspectors.

VI. Duties of Inspector(s) of Election:

- A. The Inspector(s) shall do all of the following:
 - 1. Determine the number of Memberships entitled to vote and the voting power of each;
 - 2. Receive and when directed by the Board count the Secret Ballots;
 - 3. Hear and determine all challenges and questions arising out of or in connection with Members right to vote;
 - 4. Determine by counting the Secret Ballots the results of the election; and
 - 5. Perform any acts as may be proper to conduct the election in good faith, with fairness and impartiality to all Members, in accordance with Civil Code Section 1363.03 as amended, and any successor statutes, and these Rules.
- B. The foregoing duties shall include, without limitation, the power to:
 - 1. Determine the authenticity, validity, and effect of Proxies, if any;
 - 2. Determine when the polls shall close;
 - 3. Qualify and disqualify Secret Ballots; and
 - 4. Appoint additional persons to count the Secret Ballots subject to the Inspector's Supervision, unless prohibited by State statute.
- C. If there are three Inspectors, the decision or act of a majority shall be effective in all respects as the decision or act of all.
- D. Any report made by an Inspector is prima facie evidence of the facts stated in the report.
- E. All duties must be performed in good faith, to the best of the Inspector's ability, and as expeditiously as practical.

VII. Secret Ballot Procedures

- A. Prior to the mailing of the Secret Ballots by the Association, the Inspector shall determine the location where the sealed Secret Ballots will be mailed or delivered and where the Inspector or their designee, which can include the Association's Management Company, Manager or Representative will maintain custody of the sealed Secret Ballots until the time upon which tabulation of the Secret Ballots by the Inspector shall occur.
- B. No less than thirty (30) days prior to the Annual Meeting (or other Membership or Board meeting where voting by Secret Ballot will occur), the Association shall mail to Members in Good Standing, by first-class mail, the Secret Ballots, along with two envelopes, pre-addressed to a location specified by the Inspector ("Envelope #1" and "Envelope #2"), together with instructions on how to return Secret Ballots, and a Notice of Meeting, if applicable.
- C. The Secret Ballot shall contain the names of Candidates who timely delivered the required forms to the Association as referenced above. If there are no such Candidates, or if there are fewer Candidates than the number of directors to be elected, the Secret Ballot will include the names, if any, of the Candidates and/or blank lines for write-in Candidates.
- D. A write-in Candidate, unless nominated by the candidate in writing and submitted with the Secret Ballot, must also be nominated from the floor of the Annual Meeting (or other Membership or Board meeting where voting by Secret Ballot will occur), by him or herself, or by another Member.
- E. The Secret Ballot shall NOT identify the Member (or their designee) by name, address, lot, parcel number or unit number. If the Member does sign the Secret Ballot or identify him/her self, said Secret Ballot shall, at the option of the Inspectors, be accepted by the Inspectors as a valid Secret Ballot.
- F. The Secret Ballot shall NOT be signed by the Member (or their designee), and will be inserted into a sealed, preaddressed (to the Inspector or their designee) envelope (Envelope #1). If the Member does sign the Secret Ballot or identify him/her self, said Secret Ballot shall, at the option of the Inspectors, be accepted by the Inspectors as a valid Secret Ballot.
- G. The sealed Envelope #1 shall be inserted by the Member (or their designee) into a second preaddressed envelope (Envelope #2), which should then be sealed. In the upper left-hand corner of Envelope #2, the Member (or their designee) must print and sign his or her name, address, and lot, or parcel or unit number that entitles him/her to vote. If the member does not complete the envelope in accordance with State statute requirements, the Secret Ballot will not be accepted nor counted towards the Election, or otherwise.

- H. The owners of multiple properties must submit separate sealed Secret Ballot envelopes (#1 and #2) for each property (separate interest) owned.
- I. Secret Ballots may be mailed or delivered by hand by the Member to the location designated by the Inspector. The Member may request a receipt for hand delivery of the sealed Envelope #2 to the location designated by the Inspector. Any Member desiring a receipt for mail delivery shall send the Secret Ballot by certified mail, return receipt requested, to the location selected by the Inspector.
- J. Only Secret Ballots prepared by the Association will be accepted by the Inspector either by mail or in person.

VIII. Proxies

- A. Proxies' will be accepted pursuant to the Bylaws at Article VIII, Section 2 and Article XI, Section 5, only if those Proxies are determined by the Inspector to meet the requirements of the Bylaws, and the California Corporations and Civil Codes. The Association shall not be obligated to prepare and mail proxies to the owners.
- 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 which will not be given to or shown to the Inspectors of Election.
- C. In any election where, under these Rules, the Member would utilize a Secret Ballot, the Proxy Holder shall also cast the Member's vote by Secret Ballot.
- D. Neither the Association nor the Inspector will be responsible for ensuring that the Proxy Holder votes the Proxy in accordance with the Member's direction.

IX. Secret Ballots are Not Revocable

- A. Once a Member mails or delivers his/her Secret Ballot to the location selected by the Inspector, that Secret Ballot cannot be changed or revoked.
- B. If more than one Secret Ballot is received for any property, the first Secret Ballot received will be the one counted. If it cannot be determined which Secret Ballot was the earliest received, no Secret Ballot will be counted for that Member's property except for the purpose of establishing Quorum.

X. Registration of Secret Ballots at the Meeting

- A. The Inspector (or their designee if allowed by State statute) will register all Secret Ballots at the meeting (Membership (annual), Members (special) or Board), based on a current Membership list to be provided by the Association. Neither the Association nor its Managing Agent shall register any of the Secret Ballots or Proxies received by the Association.
- B. The Inspector shall verify that all Secret Ballots are sealed in two sealed preaddressed envelopes and contain all required information on the upper left-hand corner of Envelope #2.
- C. If a Member brings Secret Ballots for other Members to the Annual Membership meeting, Special Members meeting, or Board meeting, the Secret Ballots must also be sealed in separate individual Envelopes #1 and #2 as required above. The Inspector (or their designee if allowed by State statute) will register and make all necessary determinations regarding the sealed Secret Ballot envelopes.
- D. The Inspector will review the information provided on the upper left-hand corner of Envelope #2. The Inspector will require, at a minimum, the following:
 - 1. That the printed name of the Member be legible and match the name of at least one of the record owners of the property as shown on the Association's Membership list;
 - 2. That the Member's signature is on Envelope #2; and
 - 3. The address shown on Envelope #2 corresponds to the Member's address on the Association's Membership list;
- E. If, in the sole discretion of the Inspector, the requirements above are not met, the envelope/Secret Ballot will not be registered, and will not be valid for any purpose, including establishing Quorum.
- F. The Association's Managing Agent shall provide the Inspector with a list of those Members whose rights and privileges have been duly suspended, who are not Members in good standing and or who are not entitled to vote at the Membership (annual), Members (special) or Board meeting where voting by Secret Ballot is to occur or be counted. The Inspector will take appropriate steps, including making notations or otherwise marking the Membership registration list and/or sealed Secret Ballot envelopes, to prevent suspended Members from voting at the Membership, Members or Board meeting.

XI. Observation and Custody of Secret Ballots

- A. Any Candidate or other Member of the Association may witness the registration of sealed Secret Ballots, Proxies (if any), and the counting and tabulation of Secret Ballots.
- B. No person, including any Member of the Association, or any employee or Association manager, may open or otherwise review, or register any Secret Ballot prior to the time and place at which the Secret Ballots are counted and tabulated.
- C. The sealed Secret Ballots will at all times be in the custody of the Inspector, or the Inspector's designee until after the tabulation of the Secret Ballots, at which time custody will be transferred to the Association.

XII. Registration of Members in Person

- A. A Member who chooses to vote in person at the Membership (annual), Members (special) or Board meeting must present himself/herself at the registration table area.
- B. If a Member has not previously voted their Secret Ballot, the Inspector will keep the Envelope #2 for the Association's records. The Inspector will give the Member a Secret Ballot to mark and cast in secret at the Membership (annual) meeting, Members (special) meeting or Board meeting and mark the registration list to memorialize that the Member did not vote their prior Secret Ballot and received a new Secret Ballot to vote.
- C. Members voting in person at the meeting must use Envelopes #1 and #2, and satisfy all other requirements for a valid Secret Ballot.

XIII. Registration of Proxies

If a person brings Proxies to the Membership (annual), Members (special) or Board meeting, the Inspector will review and make all necessary determinations regarding those Proxies, including their validity, provided, however, that the Inspector will not review any provision of a Proxy that provides direction as to how the Secret Ballot shall be voted. If the Proxy direction cannot be separated from the Proxy, the Inspector shall determine to reject the Proxy.

XIV. Determination of Quorum

- A. The Inspector shall determine that a Quorum has been obtained, based upon the count of the number of Members voting in person or by Proxy, pursuant to the Bylaws (Article XI, Section 4). However, no Proxy may be voted and all Proxies must be replaced with a Secret Ballot, delivered by hand or by mail as shown on the registration list. Upon determination that a

Quorum has been obtained, the Inspector may close registration at the polls (the meeting location).

- B. Once registration at the polls has been closed, if a Quorum is present, the meeting, if it is a meeting of the Membership or Members (and if nominations, are allowed in the Bylaws) may proceed with nominations from the floor from additional candidates. Further, unless the candidates have submitted their written nomination to the Board, write in candidates must also be nominated from the floor.
- C. If any meeting is adjourned due to lack of Quorum, new Secret Ballots will be required from any Member voting in person at the meeting. Any Secret Ballots which are cast in person at the Annual Meeting and put directly into the Secret Ballot box without Envelopes #1 and #2 for that meeting will not be valid for that or the adjourned meeting. Secret Ballots which are mailed or delivered to the Inspector (or their designee) in properly completed, sealed Envelopes #1 and #2 will be valid for adjourned meetings.

XV. Counting and Tabulation

- A. Once the Secret Balloting has been closed by the Inspector, the Inspector or their/his/her designee, if applicable, shall open the sealed envelopes and begin the counting and tabulation of the Secret Ballots.
- B. All Secret Ballots shall be counted and tabulated by the Inspector or their/his/her designee in public, at a properly noticed open meeting of the Board or of the Members, after verification of a Quorum of the Membership. (Bylaws, Article XI, Section 4).
- C. Any Member may witness the counting and tabulation from a distance of no less than five (5) feet from any Inspector or their/his/her designee, if applicable. Members, including Candidates, may not communicate with the Inspector, or their/his/her designee, if applicable, during the inspection, registration, counting or tabulation process. Inspectors may cause the removal of any witness who interferes with the counting of tabulation process.
- D. The Inspector will provide the members of the Board with a final count and tabulation of the Secret Ballots.
- E. The Inspector shall not:
 - 1. Provide Members and Candidates with information regarding the Secret Ballot;
 - 2. Answer questions concerning the Secret Ballot and the vote; and
 - 3. Provide any interim counts or tabulations.

- F. All Secret Ballots must be legible and clearly marked. If the Secret Ballot is marked to cast more votes than the maximum number of votes allowed for that election, no votes will be counted, and the Secret Ballot will be used for Quorum purposes only.
- G. The Inspector may request that the meeting be recessed to allow the Inspector to complete the counting and tabulation of the Secret Ballots to another time. Notice of the recessed meeting will be given to all Members, at the meeting where the counting and tabulation occurs and will identify the location, dates and times when the counting and tabulation will be resumed. The Inspector will continue to maintain custody of all Secret Ballots until the counting and tabulation is complete.
- H. The Inspector will certify the results of the Membership election by completing a report and providing it to the Board.

XVI. Election Results

- A. Results of the election shall be announced by the Inspector, by promptly reporting to the Board of Directors the result of which shall be recorded in the minutes of the next meeting of the Board.
- B. Results shall be available for review by all Members after the certification of the Membership meeting by the Inspector. Within fifteen (15) days of the election, the Board shall publicize the result of the election in a communication directed to all the Members.
- C. In the event of a tie vote among any number of the Candidates, the Association will notice a Special Membership or Board meeting and send out Secret Ballots to all Members for a vote to break the tie. Said vote shall be conducted in accordance with the procedures set forth herein, to the extent they are applicable to a run-off vote. No previously cast Secret Ballots or Proxies will be used at the meeting to break the tie.

XVII. Election Recount

A recount may be requested by any unsuccessful Candidate, in writing which sets forth good cause for the request. A recount may be denied or granted in the sole discretion of the Inspector, and upon such terms and conditions (including assumption of costs by the requesting Candidate) as the Inspector may reasonably impose. Any recount shall be conducted in a manner that shall preserve the confidentiality of the vote.

XVIII. Election Challenge

- A. In the event of an election challenge and upon receipt of a written request from a Member, the Association will make the Secret Ballots available for inspection and review by Association Members or their authorized

representatives. In order to protect the security of the Secret Ballots, one or more Association representatives must be present during such review.

- B. The Secret Ballots will be stored by the Association in a secure place for no less than one year after the date of the election.

XIX. Consultation With Association Legal Counsel

The Inspector has the authority to confer with Association legal counsel in advance of, or at the meeting where Secret Ballots are to be counted. Legal counsel represents the Association and does not represent the Members, Inspector, Board Members, management or any other person. By the adoption of these Rules, the Association waives the attorney-client confidential communication privilege, and Association legal counsel has been authorized by the Board of Directors to provide advice to, as determined necessary or prudent by the attorney, for the limited purpose of informing and advising the Inspector regarding issues related to the Inspector performing its duties for the Association.

XX. Use of Association Funds for Campaign Purposes

Association funds may not be used for campaign purposes in connection with any Association election except to the extent necessary to comply with the duties of the Association imposed by law. Campaign purposes includes, but are not limited to:

1. Expressly advocating the election or defeat of any Candidate or an Association ballot; and
2. Including the photograph or prominently featuring the name of any Candidate on a communication from the Association or its Board of Directors (other than the Secret Ballot and Secret Ballot material) within thirty (30) days of an election. Campaign purposes do not include communication for which equal access is given as referenced above.