

ELECTION RULES

TIMBERLANE II PROPERTY OWNERS ASSOCIATION

(Cal. Civ. Code § 5105)

These Election Rules have been adopted for the Timberlane II Property Owners Association ("**Association**") to govern matters requiring a vote of the Association's membership. All undefined capitalized terms used in these Election Rules shall have the same meaning as set forth in the Association's Recorded Declaration of Covenants, Conditions and Restrictions ("**Declaration**"), Bylaws and applicable sections of the California Civil and Corporations Code.

I. ANNUAL MEETING DATE

1.1. **Annual Meeting Date.** The annual meeting of the Member ("**Annual Meeting**") shall be held in the month of January, on a day to be determined by the Board, which day shall not be a legal holiday.

II. QUORUM

2.1. **Quorum.** As provided for in Section 4.3 of the Association's Bylaws, and except as otherwise provided in the Declaration and Bylaws, the presence either in person or by proxy at any meeting of the Members entitled to cast at least twenty-five percent (25%) of the total voting power of the Association shall constitute a quorum for the meeting.

2.2. **Adjournment due to Lack of Quorum.** If a quorum is not present or represented at any meeting, a majority of the Members present in person shall have the power to adjourn the meeting to a date not less than five (5) days and not more than thirty (30) days later, with no notice other than an announcement at the meeting. If a time and place for the reconvened meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for the reconvened meeting after adjournment, notice of the time and place of the reconvened meeting shall be given to Members in the manner prescribed for regular meetings. The quorum for the reconvened meeting shall be at least twenty-five percent (25%) of the total voting power of the Association.

III. EQUAL ACCESS TO MEDIA & COMMON AREA

3.1. **Equal Access to Association Media.** If any candidate or Member advocating a point of view is provided access to Association media, newsletters, or internet websites during a campaign, for purposes that are reasonably related to that election, all candidates and Members, including those not endorsed by the Board shall have equal access to such media, newsletters, or internet for purposes that are reasonably related to the election. The Association shall not edit or redact any content from such communications (except to the extent such content violates any applicable state, federal or local laws) but may include a statement specifying that the candidate or Member, and not the Association, is responsible for the content of such communication.

3.2. **Access to Common Area Meeting Space.** All candidates (including those candidates who are not incumbents) and all Members advocating a point of view (including those not endorsed by the Board) shall have access to the Common Area, at no cost, for purposes reasonably related to the election.

3.3. **Campaigning Conduct.** During campaigning, all candidates shall maintain professional decorum and shall not engage in conduct unbecoming of a Director. This includes, but is not limited to, the dissemination of false information and/or unsubstantiated claims about another candidate and/or Board member, as well as the use of ad hominem attacks, abhorrent language, and epithets concerning a protected class. The foregoing is not meant to be an exhaustive list.

IV. CANDIDATE QUALIFICATIONS

4.1. **Candidate Qualifications.** Members seeking candidacy for a position on the Board must satisfy all of the following Candidate Qualifications at the time of nomination:

4.1.1. **Record Owner.** The person must be the record owner of a Lot within Association's development.

4.1.2. **Current in Assessments.** The person must be current in the payment of regular and special assessments owed to the Association. This requirement does not apply in situations where (a) the Association's governing documents do not require sitting Directors to be current in the payment of regular or special assessments, (b) where the person wishing to be a candidate for the Board has paid the regular or special assessment under protest, or (c) where the person wishing to be a candidate for the Board has entered into a payment plan with the Association pursuant to California Civil Code section 5665.

4.1.3. **Joint Ownership Interest.** The person, if elected, must not be serving on the Board at the same time as another person who holds a joint ownership interest in the same Lot as the person, and the other person is either a candidate for the current election or is an incumbent director.

4.1.4. **Membership for at Least One (1) Year.** The person must be a Member of the Association for at least one (1) year.

4.1.5. **Past Criminal Convictions.** The person must not have had a past criminal conviction that would, if the person is elected, either prevent the Association from purchasing fidelity bond coverage required by California Civil Code section 5806 or terminate the Association's existing fidelity bond coverage. Persons running for the Board shall disclose, at the time of nomination, the existence of any past criminal convictions.

4.1.6. **Title in Name of Company.** If title to a Lot is held by a legal entity other than a natural person (e.g., Corporation, Limited Liability Company, Limited Partnership, etc.), the governing authority of that legal entity shall have the power to appoint a natural person to be a Member for purposes of being a candidate for the Board.

4.2. **Disqualification & IDR.** The Association shall not disqualify a person from nomination if the person has not been provided the opportunity to engage in Internal Dispute Resolution ("IDR") with the Association, in accordance with the Association's established IDR Procedures. The Nomination Form may include an offer of IDR to all persons who may be subject to disqualification due to their failure to meet the Candidate Qualifications at the time of nomination.

V. NOMINATION PROCEDURES

5.1. **Notice of Nomination Form & Nomination Deadline.** Not less than thirty (30) days before the nomination deadline, the Association shall provide via general delivery a "**Nomination Form**" that discloses the nomination procedures and nomination deadline. The deadline for submitting a nomination ("**Nomination Deadline**") shall not be less than thirty (30) days before ballots are distributed. The Nomination Form shall be delivered by individual notice pursuant to California Civil Code section 4040 if requested by a Member.

5.2. **Nomination Procedures.** Provided that Members seeking candidacy for a position on the Board satisfy the Candidate Qualifications at the time of nomination, such Members may be nominated or nominate themselves by the following procedures:

5.2.1. **Written Nominations.** Candidate nominations must be submitted in writing, via the Nomination Form, to the Association's community manager ("Manager") at any time prior to the Nomination Deadline. Failure to submit a Nomination Form to the Manager prior to the Nomination Deadline will result in the candidate's name being omitted from the ballot.

5.2.2. **Qualification of Nominees.** After collecting all properly submitted nominations, the Board, the Manager at the Board's direction, or a Nominating Committee established by the Board, shall: (1) confirm each nominated person's eligibility under these Election Rules; (2) confirm or cause to be confirmed each eligible nominee's acceptance of nomination (if nominated by someone other than the nominee); and (3) prepare or cause the preparation of correspondence to any nominee who was disqualified to run for the Board and the reason(s) for that decision.

5.2.3. **Notice of Candidates.** Thereafter, and not less than thirty (30) days prior to the distribution of ballots, the Board shall provide general notice of the following: (1) the list of all candidates that will appear on the ballot, (2) the date, time and address of where ballots are to be returned by mail or handed to the Inspector, (3) the date, time and address of the meeting at which ballots will be counted, (4) a statement of each Member's right to verify the accuracy of their individual information on both the Candidate List and the Voter List (as defined below), and (5) a statement of each Member's right to request individual delivery of the foregoing items. The foregoing shall be delivered by individual notice pursuant to California Civil Code section 4040 to any Member requesting individual notice.

5.3. **Floor Nominations.** Notwithstanding the foregoing, nominations may be made from the floor during the Annual Meeting or Special Meeting (or any adjournments thereof). Such nominee(s) must nevertheless meet the Candidate Qualifications.

5.4. **Write-in Candidates.** Write-in candidates are permitted, provided they meet the required Candidate Qualifications.

VI. ASSOCIATION ELECTION MATERIALS

6.1. **Candidate List & Voter List.** The Association shall retain, as association election materials, both a candidate registration list ("Candidate List") and voter list ("Voter List"). The Voter List shall include the name, voting power, and the physical address of the Member's Lot. The mailing address for the ballot shall be listed on the Voter List if different from the physical address of the Member's Lot.

6.2. **Right to Verify Accuracy of Individual Information.** Members shall be notified of their right to verify the accuracy of their individual information on the Candidate 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 Candidate List or Voter List to the Inspectors who shall make the corrections within two (2) business days.

6.3. **Custody of Election Materials.** The sealed ballots, signed voter envelopes, Voter List, proxies, and Candidate List shall at all times be in the custody and control of the Inspector, or at such location designated by the Inspector, until after the final tabulation of votes, and until the time allowed by California Civil Code section 5145 for challenging the election has expired, after which time the custody and control of the ballots shall be transferred to the Association. If there is a recount or other challenge to the election process, the Inspector shall, upon written request, make the ballots available for inspection and review by the requesting Member.

VII. INSPECTOR OF ELECTIONS

7.1. **Appointment of Inspector.** The Board shall appoint either one (1) or three (3) independent third parties to serve as the inspector or inspectors of elections (collectively, "Inspector").

7.2. **Qualifications of Inspector.** The independent third-party Inspector may be a volunteer poll worker with the county registrar of voters, a licensee of the California Board of Accountancy, or a notary public. An independent third party may be a Member, but may not be a Board member, candidate for the Board, or a person related to a Board member or candidate for the Board. An independent third party may not be a 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 Inspector.

7.3. **Functions of Inspector.** The Inspector shall:

7.3.1. Have the responsibilities described in California Civil Code section 5110, or any successor statute, and shall perform their duties impartially, in good faith, to the best of their ability, and as expeditiously as practical. The Inspector shall have the authority to consult with the Association's legal counsel in the event of uncertainties in the interpretation of these Election Rules, the Association's governing documents, applicable law, or as might otherwise be necessary to ensure a fair election. All such consultations shall be protected by the Association's attorney-client privilege and shall be kept confidential from all persons other than the Board of Directors.

7.3.2. Deliver, or cause the delivery of, at least thirty (30) days before an election, to each Member the following documents:

A. The ballot or ballots; and

B. A copy of these Election Rules. For purposes of this subsection, the delivery of these Election Rules may be accomplished by either of the following methods: (i) Posting the Election Rules to an 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 (ii) individual delivery pursuant to California Civil Code section 4040.

7.3.3. Receive reports of errors or omissions contained on the Candidate List and Voter List (both defined elsewhere herein) and shall correct said errors within two (2) business days.

7.3.4. If there are three (3) Inspectors, the decision or act of a majority shall be effective in all respects as the decision or act of all Inspectors.

7.3.5. The Inspector shall have the right to appoint and oversee such additional persons as the Inspector deems appropriate to verify signatures and to count and tabulate votes, provided that the persons are independent third parties.

7.3.6. Members requesting a ballot during the Annual Meeting may be required to provide the Inspector with proof of residency (e.g., a utility bill, driver's license, grant deed).

VIII. SECRET BALLOT PROCEDURE

8.1. **Elections Requiring Secret Ballots.** Pursuant to California Civil Code section 5100, the secret ballot procedures contained in these Election Rules shall be utilized for the following matters: (a) elections regarding assessments legally requiring a membership vote; (b) election and removal of directors; (c) amendments to the governing documents legally requiring a membership vote; and (d) grants of exclusive use of common area legally requiring a membership vote.

8.2. **Secret Ballot Requirements.** The secret ballot must satisfy the requirements set forth in the Civil Code and these Election Rules. Ballots shall not identify the voter's name, address or Lot number. The ballot itself shall not be signed by the voter. It must be inserted into a sealed envelope. That sealed envelope must then be sealed within a second

outer envelope. The outer envelope shall have, in the upper left-hand corner, space for the voter to print and sign the voter's name and print their address within the Association. The outer envelope is pre-addressed to the Inspector(s) who will be counting the votes. The envelope containing the ballot shall then be hand delivered or mailed as set forth herein. A Member of the Association may request a receipt for delivery.

8.3. **Official Ballots Only.** Only official ballots will be counted. Any unauthorized reproduction of balloting materials, including, but not limited to, the ballot, will render the ballot "unofficial," and therefore will not be counted. A Member of the Association whose ballot has been disqualified will not be entitled to notification of such action and shall not have the right to cast another vote in the present election. Such disqualified ballots shall not be counted in any subsequent recount or challenge to the election procedures.

IX. VOTING PROCEDURE

9.1. **Eligibility to Vote.** A person is eligible to vote if, at the time ballots are distributed, (i) the person is a Member of the Association, or (ii) the person has a general power of attorney for a Member. Members may cast one (1) ballot per Lot owned by that Member within the Association. If more than one (1) person is the record owner of a Lot, the vote for that Lot shall be decided by said parties between themselves. In the event one or more persons who share ownership of a particular Lot each cast separate ballots, the ballot received first by the Inspector shall be treated as the ballot representing that Lot.

9.2. **Casting of Ballots.** Ballots and related materials required for voting shall be sent to Members at least thirty (30) days, but not more than ninety (90) days, prior to the deadline for voting. Any ballots received after the applicable deadline will be disqualified and will not be counted by the Inspector. A Member whose ballot has been disqualified will not be entitled to notification of such action and shall not have the right to cast another vote in the present election. Such disqualified ballots shall not be counted in any subsequent recount or challenge to the election procedures. Members may cast their ballots by any one (1) of the following methods:

9.2.1. **Return by Mail Prior to Voting Deadline.** Members may mail their ballots to the location designated by the Inspector provided that any ballot so mailed is received no later than the close of business on the date designated for the deadline for voting.

9.2.2. **Physical Delivery Prior to Voting Deadline.** Members may deliver their ballots (or have their ballots delivered) to the location designated by the Inspector no later than the close of business on the date designated for the deadline for voting; or

9.2.3. **Deposit at Ballot Counting Meeting.** Members may deposit their ballots with the Inspector at the meeting in which votes are to be tabulated prior to the time set by the Inspector for the closing of the polls.

9.3. **Ballots are Irrevocable.** Once a ballot is received by the Inspector, it is irrevocable.

9.4. **Cumulating Votes.** Where there are more than two (2) positions on the Board to be filled, election to the Board shall be by cumulative voting as defined in California Corporations Code section 7615(b), which provides that no member shall be entitled to cumulate his votes for one or more candidates unless such candidate's name has been placed in nomination prior to the voting and the Member has been given notice at the meeting prior to the voting of the Member's intention to cumulate votes. candidate, or the Member may distribute these cumulated votes among any

two (2) or more candidates as the Member desires. If any one (1) Member has given such notice, all Members may cumulate their votes for candidates in nomination. Under cumulative voting, each Member is given a number of votes equal to the spots up for election, multiplied by the number of votes the Member is entitled to exercise under the Declaration. These votes may all be given (cumulated) to a single candidate, or the Member may distribute these cumulated votes among any two (2) or more candidates as the Member desires.

X. PROXIES

10.1. **Proxies.** Each Member may vote by proxy. Each proxy shall (a) be in writing, (b) identify the person (the "Proxyholder") authorized to vote on behalf of the Member (the "Proxygiver"), (c) state the length of time the proxy is valid, (d) be signed by the Proxygiver, and (e) filed with the Secretary of the Association. A proxy shall be deemed signed if the Proxygiver's name is placed on the proxy (whether by manual signature, typewriting, or otherwise) by the Proxygiver or the Proxygiver's attorney-in-fact. Only Members may serve as Proxyholders.

10.2. **Term & Duration.** No proxy shall be valid after the expiration of eleven (11) months from the date of the proxy unless otherwise provided in the proxy, except that the maximum term of any proxy shall be three (3) years from the date of execution. A proxy shall automatically terminate upon conveyance of the Proxygiver's Lot.

10.3. **Validity for Certain Matters.** No proxy shall be valid as to those matters described in California Corporations Code section 7613(g) unless it sets forth the general nature of the matter as required by Section 7613(g).

10.4. **Revocability.** Every proxy is revocable and automatically ceases after completion of the meeting for which the proxy was filed. Notwithstanding the foregoing, a proxy may be revoked, prior to receipt of the Proxyholder's completed ballot by the Inspector, through any of the following methods: (a) the Proxygiver delivering written notice to the Inspector that the proxy has been revoked; (b) a subsequent proxy executed by the Proxygiver; (c) by the Proxygiver's personal attendance and request to vote at the meeting, prior to the distribution of a ballot to the Proxyholder by the Inspector; or (d) by the Proxygiver's return of a completed ballot to the Inspector, or (e) written notice of the death or incapacity of the Member received by the Association before the tabulation of votes.

10.5. **Voting Instructions and Choice of Approval/Disapproval.** Any form of proxy distributed by any person to the Members shall afford the opportunity to specify a choice between approval and disapproval of each matter or group of matters to be acted upon, except that a candidate for election as a Director need not be named in the proxy or ballot. The proxy shall provide that where the Member specifies a choice the vote shall be cast in accordance with that choice. If the proxy is to be used in a vote held pursuant to the secret ballot procedure, any instruction to the Proxyholder as to how to cast the Member vote(s) shall be set forth on a separate page and retained by the Proxyholder. A proxy may be revoked as described in California Corporation Code section 7613(g) prior to the receipt of the ballot by the Inspector.

XI. TABULATION OF VOTES

11.1. **Tabulation of Votes.** All votes shall be counted and tabulated by the Inspector in public at a properly noticed meeting of the Board for the Association and/or Members of the Association after the deadline for voting. Any Member of the Association may witness the counting and tabulation of the votes. No person shall open or otherwise review any ballot prior to the time the ballots are counted and tabulated by the Inspector. In an election of directors, the candidate(s) receiving the greatest number of votes shall be elected to office, and the number of candidates elected shall be dependent upon the number of seats open for election.

11.2. **Tie Votes.** In the event of a tie vote among the candidates ("Tied Candidates"), all other newly elected directors who are not Tied Candidates will immediately begin serving their terms. An incumbent director who is also a Tied Candidate will continue to serve on the Board until the tie is resolved. In lieu of a run-off election and if the Tied Candidates agree, a coin toss may be used to resolve the tie and determine the winner. However, if the Tied Candidates do not agree to resolve the tie with a coin toss, or where a tie involves more than two (2) Tied Candidates, the tie shall be resolved by a run-off election. A new ballot marked "RUNOFF" containing only the names of the Tied Candidates will be mailed to the Members. These Rules shall apply in the run-off election and shall be enforced to the same degree as in any other election. The person receiving the highest number of votes will be elected.

11.3. **Notice of Tabulated Results.** The results of the election, as tabulated by the Inspector, shall be (a) promptly reported to the current Board, (b) recorded in the minutes of the next meeting of the Board, and (c) be made available for review by Members of the Association. Within fifteen (15) days of the election, the Board shall give general notice of the tabulated results of the election.