

# RANCHO DOMINGUEZ TOWNHOMES COMMUNITY ASSOCIATION

## ELECTION AND VOTING RULES

(California Civil Code Sections 1363.03 and 1363.04)

### 1. INTRODUCTION

These Election and Voting Rules ("Rules") establish certain procedural rules for the successful management of membership meetings and implement the relevant provisions of the Association's Bylaws, the California Civil Code, and the California Corporations Code concerning membership elections and membership voting. These Rules shall become operative July 1, 2006.

### 2. EQUAL ACCESS

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. 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 the content.

Equal access to common area meeting space, if any, shall exist during a campaign, at no cost, to all candidates, including those who are not incumbents, and to all members advocating a point of view, including those not endorsed by the Board, for purposes reasonably related to the election.

### 3. USE OF ASSOCIATION FUNDS FOR CAMPAIGN PURPOSES PROHIBITED

Association funds shall not be used for campaign purposes in connection with any Association Board election. Funds of the Association shall 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.

As set forth within Civil Code Section 1363.04, for the purposes of this section "campaign purposes" include, but are not limited to, the following:

A. Expressly advocating the election or defeat of any candidate that is on the association election ballot.

B. Including the photograph or prominently featuring the name of any candidate on a communication from the association or its board, excepting the ballot and ballot materials, within 30 days of an election, provided that this is not a campaign purpose if the communication is one for which subdivision (a) of Civil Code Section 1363.03 requires that equal access be provided to another candidate or advocate.

#### 4. **CANDIDATE QUALIFICATIONS AND NOMINATION PROCEDURES**

All candidates for election or appointment to the Board of Directors who are Members must be in good standing. A Member is in good standing if the Member's membership rights are not in suspension on the record date for voting. Section 4 of Article III of the Bylaws authorizes the Board of Directors to suspend Membership during any period when assessments owing by such Member remain unpaid and delinquent.

Nominations for election to the Board of Directors shall be made by a Nominating Committee to the extent Members volunteer to serve on such a Committee. A candidate who is qualified to serve on the Board shall be also entitled to nominate himself or herself for election by submitting his or her name as a candidate using the candidacy form prescribed by the Association, provided the form is received by the date prescribed. "Write-in" candidates on the ballot are not permitted.

#### 5. **VOTING QUALIFICATIONS AND THE VOTING POWER OF EACH MEMBERSHIP**

Each membership in good standing shall be entitled to one (1) vote, provided that positions on the Board of Directors shall be filled by cumulative voting as provided for within Section 8 of Article VI of the Bylaws. A Member whose membership rights are in suspension on the record date for voting is not in good standing and is not entitled to vote.

#### 6. **INSPECTORS OF ELECTION**

In accordance with Civil Code Section 1363.03, three (3) Inspectors of Election shall be appointed by the Board of Directors, shall perform the duties set forth below and shall sign a report or certificate evidencing the voting results. The Inspectors shall be members of the Association and/or representatives of the Association's management company. The Board may, at its discretion, designate other persons to serve as the Inspectors to the extent permitted by law. In no event shall Inspectors be incumbent Directors, candidates seeking election to the Board, or family members of candidates or incumbent Directors. The decision of a majority of the Inspectors shall control.

##### A. Duties of Inspectors of Election:

1. Determine the number of memberships entitled to vote and the voting power of each;
2. Confirm the number of memberships represented at the meeting;
3. Confirm the existence of a quorum;
4. Determine the authenticity, validity and effect of proxies and ballots;
5. Hear and determine all challenges and questions in any way arising in connection with the right to vote;
6. Count and tabulate all votes;

7. Determine when the polls shall close;
8. Determine the result of the voting;
9. Perform any acts as may be proper to conduct the balloting or election with fairness to all members.

7. **SECRET BALLOT PROCEDURES APPLICABLE TO CERTAIN VOTING AND PROXY USE**

Membership voting regarding assessments, election of members to the Board of Directors, amendments to the governing documents, and the proposed grant of exclusive use common area pursuant to Civil Code Section 1363.07 (hereinafter "Secret Ballot Topics") shall be conducted through secret ballot procedures in compliance with Civil Code Section 1363.03. The Association will not distribute voting proxies in connection with Secret Ballot Topics, and the Inspectors of Election reserve the right to invalidate any proxy or other document purporting to cast a Member's vote used in connection with Secret Ballot Topics that does not comply with these Rules and applicable law, including the secret ballot procedures set forth within Civil Code Section 1363.03. A Member may cast his or her vote on a Secret Ballot Topic in person at a meeting, provided the Member casts the vote using a secret ballot in compliance with Civil Code Section 1363.03. In the event the required quorum is not attained at an initial or adjourned meeting at which secret ballots will be utilized, and in the event the meeting is adjourned to another date, all secret ballots cast shall carry over until quorum is attained.

In those instances where voting proxies are permitted to be used, in order to be counted the proxy must (a) identify a proxyholder (who must be in attendance at the meeting for which the proxy is given), (b) contain voting instructions, and (c) be dated and signed by the Member in good standing giving the proxy. The Inspectors may disqualify a voting proxy that does not satisfy these requirements. Any instruction given in a voting proxy that directs the manner in which the proxyholder is to cast the vote must be set forth on a separate page of the proxy that can be detached and given to the proxyholder to retain.

8. **COUNTING OF BALLOTS/PROXIES**

All votes shall be counted and tabulated by the Inspectors of Election in public at a properly noticed open meeting of the Board of Directors or at a properly noticed meeting of the membership. Any candidate or other member of the Association may witness the counting and tabulation of the votes. In accordance with the holding of Chantiles v. Lake Forest II Master Homeowners Association (1995) 37 Cal. App. 4<sup>th</sup> 914, only the Inspectors of Election and the Association's legal counsel shall be allowed to inspect the proxies during the counting process in those instances in which proxy voting is permitted in order to protect the members' privacy rights.

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.

A. Unless otherwise provided within the Notice of Meeting or the Ballot solicitation, as applicable:

1. The voting period for Secret Ballot Topics shall commence when the first ballot is mailed or delivered to an Association member, and shall end at such time as the Inspectors of Election determine the polls close;
2. With respect to voting at membership meetings on topics other than Secret Ballot Topics, the voting period shall commence at the meeting at such time as the chairperson declares the voting period open and shall end at such time as the Inspectors of Election shall determine the polls close; and
3. With respect to voting through a mail-in ballot on matters other than Secret Ballot Topics, voting shall commence when the first ballot is mailed or delivered to an Association member and shall end at such time as is specified on the ballot.

B. All questionable proxies and ballots are to be separated for a determination of validity by the Inspectors.

C. If the number of votes cast on a ballot or proxy exceeds the number of permissible votes, the ballot or proxy is invalid and shall not be counted for voting purposes.

D. When a box is checked or otherwise marked for a candidate, and it is the only box checked or marked, all of the member's votes shall be counted for that candidate. When fewer boxes are checked on the ballot than the number of Directors to be elected, the count shall be one vote per check not to exceed the number of authorized votes.

E. If votes are cast on a proxy but the member failed to check the box instructing votes to be cast, the votes cast shall be counted as marked by the member, provided there are no other conflicting instructions on the proxy and the proxy is otherwise valid.

## 9. ANNOUNCEMENT OF RESULTS/CUSTODY OF VOTING MATERIALS

The 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 15 days following the election, the Board shall publicize the results of the election in a communication directed to all members.

Unless otherwise stated in a writing signed by the Inspectors of Election, sealed ballots shall be returned to the Association's management company in accordance with the procedures set forth within the instructions mailed to the Members. Sealed ballots at all times shall be in the custody of the Inspectors of Election or, unless otherwise stated in a writing signed by the Inspectors, the Association's management company, until after the tabulation of the vote, at which time custody shall be transferred to the Association's management company.

After tabulation, election ballots shall be stored by the Association in a secure place for no less than one year after the date of the election. In the event of a recount or other challenge to the election process, the Association shall, upon written request, make the ballots available for inspection and review by association members or their authorized representatives. Any recount shall be conducted in a manner that shall preserve the confidentiality of the vote.