

ENCLAVE HOMEOWNERS' ASSOCIATION
SECTION 17
ELECTION RULES AND PROCEDURES

- 17.1 **Application of Rules:** These rules shall apply to any meeting of the membership or solicitation of membership approval by a ballot vote (i) regarding matters specified in California Civil Code Section 5100(a), and (ii) any other matter unless the Association's Board of Directors has elected to conduct such vote or solicit such member approval for such other matter in accordance with California Corporations Code Section 7513, in which case the provisions of (A) Corporations Code Section 7513, (B) the Association's Bylaws, and (C) other applicable provisions of the California Corporations Code will apply to the exclusion of these Election Rules and Procedures. The Election Rules contained herein are intended to be in compliance with Civil Code Section 5100 et seq., and should be interpreted as such.
- 17.2 **Membership Voting:** Pursuant to the Association's governing documents, the Association has the following voting classes:
- (a) **Class A Members.** Class A Members are all Owners, with the exception of Declarant (until the conversion of Declarant's Class B membership to a Class A membership as provided in the CC&Rs) and shall be entitled to one (1) vote per director seat up for election, for each Residential Lot owned. When more than one (1) person holds an interest in any Residential Lot, all such persons shall be Members. The vote for such Residential Lot shall be exercised as they among themselves determine with respect to such Residential Lot.
- (b) **Class B Members.** Class B Member(s) shall be Declarant, who shall be entitled to three (3) votes for each Residential Lot owned by Declarant in a Phase for which assessments have commenced. The Class B membership shall cease and be converted to Class A membership as described in the CC&Rs.
- 17.3 **Record Dates:** In the absence of a specific resolution of the Board for any given election, the record date for determining the right of a Member to receive notice and to vote shall be the date that ballots are distributed and shall include all separate interests reflected in the Association membership list as of such record date. Members may verify and update their individual information contained in the Association's records anytime up to the date ballots are distributed and are encouraged to review their personal information by the deadline set for submitting nominations of candidates to ensure Members review their personal information at least thirty (30) days before the ballots are mailed. The voter list shall include for each separate interest: (1) name; (2) voting power; (3) the separate interest address, parcel number or both; and (4) the mailing address, if different. The voting period shall start when ballots are distributed and shall close when the ballots are counted. The polls shall close for any Member vote as specified in the ballot materials or as determined by the Inspector(s) of Election at any Member meeting.
- 17.4 **Qualifications of Candidacy on the Board:** Except for the first Directors appointed by the Declarant, the Board shall consist only of qualified Members.

17.4.1 **Candidate Qualifications:** Concurrent with the First Membership Meeting, the Board shall be expanded to include five (5) Directors. At the First Membership Election, the Declarant shall designate a majority of the Board and the remaining Directors shall be elected by the Class A Members (excluding Declarant). The Directors appointed by Declarant shall serve for a term of three (3) years and the Director(s) elected by the Class A Members shall serve for a term of two (2) years. After the expiration of the initial terms, all Directors' terms shall be two (2) years. Subject to Civil Code §5105, all Candidates for the Board must meet the following qualifications:

- (A) The Candidate must be an Owner or an agent of the Declarant as long as Declarant owns any property within the Community. If title to a separate interest is held by a legal entity, such entity may appoint a natural person to serve or vote on such entity's behalf by delivering evidence of an appropriate written appointment to the Association;
- (B) The Candidate must be current in the payment of all regular and special assessments. For the purposes of these election rules, "current" means no regular or special assessment is past due by more than thirty (30) days, or such period of time as is specifically defined in the Association's collection policy;
- (C) The Candidate may not hold a joint ownership interest in the same separate interest as any other candidate or incumbent director; and
- (D) The Candidate is not eligible to run if the Association is aware or becomes aware of a past criminal conviction that would, if the Candidate were elected, either prevent the Association from purchasing the fidelity bond coverage required by Civil Code §5806 or terminate the Association's existing fidelity bond coverage.

17.4.2 **Director Requirements:** Except for Directors appointed by the Declarant, the Board, by a majority vote of the Directors who meet all of the required qualifications to be Directors, may declare vacant the office of any Director who fits into any of the following categories:

- a. The Director does any of the following:
 - i. Fails to attend three (3) consecutive regularly scheduled meetings of the Board or fails to attend more than six (6) meetings of the Board, regular or special, within any twelve (12) month period;
 - ii. Fails to comply with a duly approved action of the Board;
 - iii. Fails to comply with the Association's governing documents, having been provided proper notice and received a due process hearing at which the Board determines that a violation exists; or
 - iv. Fails to be current in the payment of all regular and special assessments.
- b. The Director engages in any of the following types of behavior:
 - i. Receives any type of monetary gain, or other gain such as services, products, gifts or gratuities of a significant value, which have been provided in relation to a Director's service on the Board, and which is not disclosed. Disclosure must take place at an open meeting of the Board and be recorded in the minutes. Compensation for services duly approved by the Board and unrelated to duties as a Director or officer of the Association, or reimbursement of expenses associated with service to the Community do not constitute unethical or detrimental behavior

and are permissible;

ii. Takes any action considered to be grossly detrimental to the general safety, health and welfare of the Community and its Members; or

iii. Addresses fellow Directors with abusive language in such a manner that causes distress and emotional harm. Abusive language is any language which causes humiliation or intimidation, or inflicts ridicule, coercion, threats or mental abuse, or other language of a punitive nature, or language which is prejudicial or grossly profane.

17.5 **Nominations:** Nomination for election to the Board may be made from any qualified Member. Any Member may nominate themselves as a candidate. Every qualified Member returning a candidacy form by the deadline established in any candidate solicitation shall be included on the ballot and in any associated ballot materials.

17.6 **Solicitation Materials:** Every Candidate and Member shall have equal access to the Association mailings, newsletters, and website during a campaign, if any such access is provided, for the publication of viewpoints reasonably related to any issue presented for membership vote.

17.6.1 **Content:** The Association does not edit or redact any content provided by a Candidate or Member. The Candidate or Member creating such content, and not the Association, is responsible for any published statement.

17.6.2 **Limitation on Publication Space Made Available:** So long as each Candidate and/or Member is provided the same opportunities for publication, the Association may restrict the availability of any publication by limiting the printing space made available or the number of words that will be included from each Candidate or Member included in the publication. In the absence of any other limitations adopted by the Board for any particular matter, each Candidate and/or Member shall be limited to no more than two-hundred (200) words for any one publication. The Board may, in its sole discretion, present a candidacy questionnaire with questions for all interested Candidates and/or Members to complete. If such a questionnaire is provided, then the Association will only print the answers to such questions and may impose a limitation upon the number of words for the response to any question presented.

17.7 **Availability of Meeting Space:** Access to common area meeting space shall be made equally available, at no cost, to all Candidates and/or Members desiring to use such space for any reason reasonably related to a membership vote. The Association may meet the requirements of this section by hosting a "Meet the Candidates Night", or other such special meeting, so long as every Candidate and/or Member is provided with an equal opportunity to participate in the event.

17.8 **Ballot Distribution:** A ballot shall be distributed to every Member reflected in the Association membership list on the date that ballots are distributed. Replacement ballots will be provided upon request to anyone who was a Member as of the date when ballots were distributed. The Association shall not deny a ballot to a person with general power of attorney for a Member. A ballot submitted by a person with general power of attorney for a Member, if valid and returned by the applicable deadline, shall be counted by the Association. At least thirty (30) days prior to any election, the Inspector(s) of Election shall deliver or cause to be delivered: (1) a ballot to each Member reflected on the voting list; and (2) a copy of these election rules. Delivery of these election rules may be accomplished by posting them on an internet website and including on the ballot the corresponding internet website address together with, in at least 12-point font, the phrase: "The rules governing this election may be found here:".

17.9 **Proxies:** At all meetings of Members each Member may be present in person or by a representative, known as a proxy, duly authorized by an instrument in writing, executed by such Member and filed with the Secretary of the Association prior to the meeting to which it is applicable. Proxies shall specify the person or persons authorized to exercise the proxy and the length of time the proxy will be valid. Any proxy distributed by any person to the membership shall afford the opportunity to specify a choice between approval or disapproval between each matter or group of matters to be acted upon, and where the Member specifies a choice, the vote shall be cast in accordance with that choice. All proxies shall be revocable at any time by written notice to the Secretary of the Association or by attendance in person by such Member at the meeting for which such proxy was given and all proxies shall automatically cease when the ownership interest or interests of the Member entitling such Member to membership in the Association ceases. In any event, 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.

17.10 **Inspector(s) of Election:** Prior to the presentation of any issue to the Members for a membership vote, the Board may appoint one (1) or three (3) Inspector(s) of Election. In the absence of a specific appointment by the Board, or in the event that an appointed Inspector is unable or unwilling to serve, then the Members in attendance at any duly held meeting of the Members at which a quorum is present may elect an Inspector or Inspectors to serve.

Any Inspector(s) of Election must be an independent third party. 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 an Inspector(s) of Election. An Inspector may not be: (1) a Director; (2) a Candidate; (3) a Director's relations; or (4) a Candidate's relations.

The Inspector(s) of Election may appoint and oversee additional persons to verify signatures and to count and tabulate votes as the Inspector(s) of Election deem appropriate, provided that the additional persons satisfy the eligibility requirements for service as an Inspector of Election. In the absence of a more specific determination by the Inspector(s) of Election, the Association's management company shall prepare and retain the association election materials (i.e., the candidate registration list, voter list, ballots, signed voter envelopes, and any proxies) for a period of three (3) years following any election.

Inspector(s) of Election shall perform all duties impartially, in good faith, to the best of their ability, as expeditiously as practical, and in a manner that protects the interest of all Members of the Association.

17.11 **Meeting Conduct:** Any counting of ballots shall be done at an open meeting of the membership or the Board of Directors. Any Candidate or Member may observe the count but shall stand at least five feet away from the Inspector(s) of Election. No person may harass, cajole or otherwise interfere with the Inspector(s) of Election while the count is taking place. Persons not specifically authorized to do so may not touch any secret ballot or other election materials. All ballots will be made available for inspection by any Candidate or Member during regular business hours at the Association's management office once the meeting is concluded. Any person violating this section may be asked by the Inspector(s) of Election or the meeting chair to leave the meeting to prevent further disruption.

ENCLAVE HOMEOWNERS ASSOCIATION
SECTION 18
PRIVACY POLICY

- 18.1 California statute currently allows a member of an Association to request and obtain a membership list, including members' names and addresses. **Unless you "opt out", then the Association may be required to release your personal contact information in response to such a request.**
- 18.2 **California Code of Civil Procedure Section 5220 allows a member to request to be removed from the membership list to prevent release of their private contact information to a member requesting the membership list.** In order to opt-out of the membership list, you must notify the Association **in writing**. By opting out, you are notifying the Association that you prefer to be contacted via the alternative process described in Corporations Code Section 8330(c), which requires the association to mail information directly to a member, rather than releasing that member's private contact information.
- 18.3 If you chose to opt-out of sharing your name, property address, and mailing address under the membership list, pursuant to Civil Code Section 5220, the opt-out designation shall remain in effect until changed by you, by written notification to the Association's Managing Agent.