

# **VEO FLATS HOMEOWNERS ASSOCIATION**

## **ELECTION AND VOTING RULES**

### **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 Election Rules are intended to comply with the requirements of newly revised California Civil Code Sections 5100-5145 effective January 1, 2020. These rules may be further amended due to future changes in the law. Provisions in the Governing Documents in conflict with the law shall be null and void.

### **2. CANDIDATE QUALIFICATIONS**

A) A candidate for the Board of Directors ("Board") shall meet the following qualifications at the time of nomination:

1. The candidate must be a Member of the Association (i.e., record owner). If title to the property is held by a legal entity that is not a natural person (such as an LLC, corporation, trust, etc.), the entity shall have the right to appoint a natural person as the " Member" for these purposes.
2. The candidate must have been a Member of the Association for at least one (1) year.
3. The candidate must be current in payment of the principal sum of regular assessments, and any special assessments. The Member shall be considered "current" if payments have been made under protest per California Civil Code Section 5658, or the Member has entered into a payment plan pursuant to California Civil Code Section 5665.
4. The candidate must not have a joint ownership interest in the same Lot as a person who is already serving on the Board or who is re-rerunning for a Board position.
5. The candidate must not have a past criminal conviction that would, if elected, prevent the Association from obtaining, or would result in cancelation of, the Association's fidelity bond coverage (crime/dishonesty insurance coverage).
6. The candidate will be provided the opportunity to engage in Internal Dispute Resolution ("IDR") (California Civil Code Section 5900, et. seq.) with respect to any disqualification.

### **3. NOMINATING PROCEDURES**

- A) The procedures for nominating a candidate for the Board are as follows:
1. Members may nominate themselves as a candidate if they meet the candidate qualifications.
  2. A Member may nominate any other Member as a candidate, provided such nominee agrees to be nominated and meets the candidate qualifications.
  3. Nominations of qualified candidates may be made from the floor at the annual meeting.
- B) The Association shall, at least 30 days before any deadline for submitting a nomination, provide general notice (California Civil Code Section 4045) of the procedure and deadline for submitting a nomination. Individual notice shall be delivered pursuant to California Civil Code Section 4040 if individual notice is requested by a member.
- C) The Association shall retain, as association election materials (California Civil Code Section 5200(a)(13)), both a candidate registration list and a voter list. The voter list shall include name, voting power, and either the physical address of the voter's separate interest, the parcel number, or both. The mailing address for the ballot shall be listed on the voter list if it differs from the physical address of the voter's separate interest or if only the parcel number is used.
- D) Members shall be permitted to verify the accuracy of their individual information on both lists at least 30 days before the ballots are distributed. The association or member shall report any errors or omissions to either list to the inspector or inspectors who shall make the corrections within two business days.

### **4. NOTICE OF ELECTION, LIST OF CANDIDATES, BALLOT DEADLINE, RIGHT TO VERIFY ACCURACY OF MEMBER INFORMATION**

- A) The Association shall provide general notice to the membership (and shall provide individual notice at a Member's request) of the following at least thirty (30) days before the ballots are distributed (which shall also serve as the record date):
1. The date and time by which ballots are to be returned, and physical address to which ballots are to be returned by mail or hand delivery to the Inspector.
  2. The date, time and location of the meeting at which ballots will be counted.
  3. The list of all candidates' names that will appear on the ballot (those nominated by the deadline for nomination and who meet the candidate qualifications) ("Candidate Registration List").
  4. Members' right to verify accuracy of their individual information on the Candidate Registration List and the Voter List. The Voter List shall consist of a list of Members' names, voting power, and either the physical address of the voter's separate interest (Lot), the parcel number (i.e., APN), or both, and mailing address for the Member only if it

differs from the physical address of the Member's separate interest or if only the parcel number is used.

5. The Association or Members shall report errors/omissions on either list to the Inspector, which shall be corrected within two (2) business days.

## **5. VOTING RIGHTS**

1. Each Lot shall have one (1) vote, except for the election of Directors where each Lot shall have one (1) vote for each vacant Director position to be elected.
2. If there are joint Owners of a Lot who are unable to agree among themselves as to how their vote shall be cast, they shall lose their right to vote on the matter in question.
3. If one (1) Owner casts a vote representing a Lot, it will be conclusively presumed for all purposes that such Owner was acting with the authority and consent of all other Owners of the same Lot.
4. If more than one (1) Owner casts the vote representing a certain Lot in any matter requiring a membership vote, the votes cast by such Owners shall not be counted and shall be considered void.
5. Cumulative voting is required for all elections in which more than two (2) Directors are to be elected.
6. Qualifications for Voting: Members who are Owners (as defined in the Governing Documents) shall be entitled to receive a ballot. No Members' right to vote in elections defined in California Civil Code Section 5100(a)(1) shall be suspended.
7. Persons with a written general power of attorney for a Member shall be entitled to request a ballot on behalf of such Member. Only non-Members (i.e. tenants, non-record owners, etc.) may be denied a ballot.
8. To the extent proxies are desired to be used by a Member, proxies may not be used in lieu of a ballot.
9. A quorum of at least one-third of the voting power of the membership is required for the transaction of business at membership meetings. If the membership meeting cannot be held because a quorum is not present, the quorum for the adjourned meeting shall reduce to twenty-five percent (25%).
10. Each ballot received by the Inspector or its designee shall be treated as a Member for purposes of establishing a quorum.
11. No candidates other than those listed on the official Association ballot or those qualified candidates nominated from the floor may be written in or added onto the ballot.

## **6. INSPECTOR(S) OF ELECTION**

1. In accordance with California Civil Code Section 5110, the Board of Directors shall appoint either one (1) or two (2) or three (3) independent third parties to serve as Inspector(s) of Election. An "independent third party" includes, but is not limited to, (a) a volunteer poll worker with the county registrar of voters, (b) a licensee of the California Board of Accountancy, (c) a notary public, or (d) a member of the Association who is neither a director, a candidate for election as a director, nor related to a director or candidate for election as director. An Inspector of Election, and any person appointed by an Inspector of Election to assist in verifying signatures or in counting and tabulating votes, 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 of elections. The Inspector(s) of Election shall perform the duties set forth below and shall sign a report or certificate evidencing the voting results. 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.

### **B) The Inspector(s) of Election shall deliver, or cause to be delivered, at least 30 days before an election, to each member both of the following documents:**

1. The ballot or ballots; and
2. A copy of the election operating rules. Delivery of the election operating rules may be accomplished by either of the following methods:

- A. Posting the election operating rules to an internet website and include 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
- B. Individual delivery, as described in California Civil Code section 4040.
- C) Notwithstanding any other law, the Association and the Inspector(s) of Election shall not:
  - 1. Deny a ballot to a member of the Association for any reason other than not being a member of the Association at the time the ballots were distributed;
  - 2. Deny a ballot to a person with general power of attorney for a member. The ballot of a person with general power of attorney for a member of the Association shall be counted if returned in a timely manner.

## **7. VOTING PROCEDURES**

- A) Distribution of Material at Least Thirty (30) Days Before Election: Not less than thirty (30) days prior to the election/deadline for voting, the following shall be mailed by first-class mail or delivered to each Member:
  - 1. A ballot and two (2) pre-addressed envelopes with instructions returning the ballot.
  - 2. A copy of these Election Rules. If the Association has a website, notice of the Election Rules may be provided per California Civil Code Section 5105(g)(4)(B)(i).
- B) All votes shall be counted and tabulated by the Inspector(s) of Election in public at a properly noticed open meeting of the Board of Directors or at a properly noticed meeting of the members. Any candidate or other member of the Association may witness the counting and tabulation of the votes from a reasonable distance, as determined by the Inspector(s) of Election. Members may not interfere with the counting and tabulation of the votes, and the Inspector(s) of Election may order any person the Inspector(s) of Election determine to be interfering with the counting and tabulation of votes to leave the area. In accordance with the holding of *Chantiles v. Lake Forest II Master Homeowners Association* (1995) 37 Cal. App. 4th 914, only the Inspector(s) of Election and the Association's legal counsel shall be permitted to inspect the proxies during the voting process in those instances in which proxy voting is permitted in order to protect the members' privacy rights.
- C) 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.
- D) Unless otherwise provided in 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 Inspector(s) 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 Inspector(s) 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.
- E) A ballot shall be irrevocable upon the Association's receipt of the ballot, and a Member's submission of a secret ballot shall be deemed to be the Member's presence at the meeting for purposes of determining the presence of a quorum at the meeting.
- F) All questionable proxies and ballots are to be separated for a determination of validity by the Inspectors.
- G) If the number of votes cast on a ballot or proxy exceeds the number of permissible votes, the ballot or proxy, for voting purposes, shall be invalid and shall not be counted, but shall be counted for quorum purposes only.
- H) When a voting box for a candidate is "checked" or otherwise marked by a non-numerical symbol (e.g., an "X"), 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" or marked by a non-numerical symbol on the ballot than the number of directors to be elected, the count shall be one vote per "check" or mark not to exceed the number of authorized votes.
- I) If votes are cast on a proxy, but the Member failed to check the box indicating that the proxy is to be voted in accordance with the Member's instructions, the votes cast shall be counted as marked by the Member, provided there are no conflicting instructions on the proxy and the proxy is otherwise valid.
- J) The Inspector or its designee will count and tabulate all votes in public at a properly noticed meeting of the Members or open meeting of the Board. Any candidate or other Member of the Association may witness the counting and tabulation of the votes in a manner so as to not violate the intent of preserving the confidentiality of Members' votes. 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. The Inspector or its designee may verify the Member's information and signature on the outer envelope prior to the meeting at which ballots are tabulated.
- K) The Inspector will promptly report the results of the election to the Board. The Board will record the results in the minutes of the next meeting of the Board and make the results available for review by any Member at any time after the results are received from the Inspector. Within fifteen (15) days of the election, the Board shall give general notice pursuant to California Civil Code Section 4045 of the tabulated results of the election.

## **8. RETENTION AND CUSTODY OF ELECTION RECORDS**

- A) The sealed ballots, signed voter envelopes, Voter List, proxies if any, and Candidate Registration List shall at all times remain in the custody of the Inspector or at a location designated by the Inspector until after the tabulation of the vote.
- B) The following Association records shall also be retained by the Inspector after the election/tabulation until the time allowed by California Civil Code Section 5145 for challenging the election has expired, at which time custody will be transferred to the Association: returned/cast ballots, signed voter envelopes, Voter List, proxies if any, and the Candidate Registration List.
- C) If there is a recount or other challenge to the election process, the Inspector shall, upon written request, make such records available for inspection and review by a Member or Member's authorized representative. Signed voter envelopes are subject to inspection but not copying. Any recount shall be conducted in a manner that preserves the confidentiality of the vote.

## **9. ACCESS IN CONNECTION WITH ELECTIONS**

- A) 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, 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 that content.
- B) Access to Association Meeting Space: The Association will provide access to the common area meeting space during a campaign 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. Access shall be provided at no cost to the Members and candidates.
- C) Campaign Fund Restrictions: Association funds shall not be used for campaign purposes in connection with any Association Board election. Funds of the Association will 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. 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's election ballot; and (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, or a communication that is legally required in connection with an election. This restriction does not prevent distribution of campaign materials as otherwise specifically allowed under the equal access provisions of these rules.

## **10. MODIFICATION OF RULES**

These rules shall be construed in accordance with and are subject to further change pursuant to California law. No changes to these rules shall be made within ninety (90) days of an election.

Adopted by VEO Carson Homeowners Association  
on \_\_\_\_\_, 20\_\_



## APPENDUM A

### VEO CARSON HOMEOWNERS ASSOCIATION ELECTION TIMELINE

Election/Annual Meeting Date: \_\_\_\_\_, 20\_\_

**120 to 150 days prior to Election Date** - Board meeting on \_\_\_\_\_, 20\_\_  
(approximately 30 to 60 days ahead of Candidate Registration List)

At the Board meeting:

1. Appoint Inspector of Elections.
2. Form Nominating Committee if required by Bylaws.

**90+ days prior to Election Date** - Adopt any Election Rule changes no later than  
\_\_\_\_\_, 20\_\_

**30+ days prior to notice of Candidate Registration List** on \_\_\_\_\_, 20\_\_ (more than 90 days from election date).

1. Notice of nomination procedure and deadline for nominations.
2. Inform of candidate qualifications and right to IDR if subject to disqualification.
3. Make deadline at least one week prior to preparing Candidate Registration List.
4. General Notice required, except for Members requesting Individual Notice.

**30+ days prior to mailing of ballots/election package** on \_\_\_\_\_, 20\_\_ (more than 60 days before election date).

Notice of:

1. List of Candidates (Candidate Registration List).
2. Date/Time/Address where to send ballots.
3. Date/Time/Address (notice) of annual meeting/election.
4. Right of Members to verify accuracy of info on Candidate List and Voter List. Print and retain copy of Candidate List and Voter List as Association record.
5. General Notice required, except for Members requesting Individual Notice.

**30+ days prior to Election Date** on \_\_\_\_\_, 20\_\_ (at least 30 days before election date)

Mail election package:

1. Ballot and double envelopes.
2. Copy of Election Rules (or notice of website where Election Rules are posted).

**APPENDUM B**  
**"CANDIDATE INTRODUCTION LETTER"**

1. Notice of Election/Annual Meeting.
2. Notice of Date, Time and Location for Return of Ballots.
3. List of Candidates To Appear on Ballot (Candidate Registration List).
4. Right of Members to Verify Member Information on Candidate Registration List and Voter (Membership) List.

Attention All Members:

The VEO Carson Homeowners Association hereby gives notice of the following with respect to the election of the Board of Directors, pursuant to California Civil Code Section 5115(b). Please note that ballots will be mailed to the membership at least thirty (30) days prior to the election:

A. Notice of Election/Annual Meeting:

Date: \_\_\_\_\_, 20\_\_

Time:

Location: 600 Colorado Circle, Carson, CA

B. Notice of Date, Time and Location For Return of Ballots:

Ballots must be returned no later than \_\_\_\_\_, 20\_\_ at \_\_\_\_ P.M. The physical address to:

VEO Carson Homeowners Association c/o IDS Asset Management, LLC  
7700 Irvine Center Drive, Suite 800 Irvine, CA 92618  
Fax: (949) 713-5445  
Email: CustomerCare@idsassetmgmt.com

Which ballots are to be returned either by mail or by hand delivery is:

VEO Carson Homeowners Association c/o IDS Asset Management, LLC  
7700 Irvine Center Drive, Suite 800 Irvine, CA 92618  
Fax: (949) 713-5445  
Email: CustomerCare@idsassetmgmt.com

C. List of Candidates Who Will Appear on Ballot ("Candidate Registration List"):

- 1.
- 2.
- 3.
- 4.
- 5.

D. Right to Verify Accuracy of Member Information on Candidate Registration List and Voter List:

Members are permitted to verify the accuracy of their personal information on the Candidate Registration List above and the Voter List (name, Lot address, mailing address (if different from Lot address), etc. at least thirty (30) days before ballots are distributed. The last/most recent address on file with the Association will be used for mailing of ballots unless you designate otherwise. Please call or email management if you wish to verify your Member information and/or bring any errors to its attention. Errors or omissions will be corrected within two (2) business days.

Management can be contacted at: IDS Asset Management, LLC, Attn: Tracy Drivas, 7700 Irvine Center Drive, Suite 800, Irvine, CA 92618; Tel: (949) 713-5665; Fax: (949) 713-5445; Email: [CustomerCare@idsassetmgmt.com](mailto:CustomerCare@idsassetmgmt.com)

## **APPENDUM C**

### **NOTICE OF PROCEDURE AND DEADLINE FOR SUBMITTING NOMINATION OF CANDIDATES FOR ELECTION OF BOARD OF DIRECTORS**

To All Members of VEO Carson Homeowners Association:

The Board of Directors of your Association is made up of volunteer owners who make important decisions on behalf of the Association, pursuant to the duties set forth under California law, the CC&Rs, Bylaws and other Association Governing Documents. If any Member who meets the qualifications stated in the Election Rules desires to be a candidate for election to the Board of Directors, the purpose of this notice is to inform you of the procedure and deadline for submitting a nomination, pursuant to California Civil Code Section 5115(a):

#### **I. Procedure for Nomination:**

The candidate qualifications are attached. You may nominate yourself by notifying the management company designated below. (See attached form)

Nominations may be made from the floor. Please note, however, that the Association encourages qualified candidates to submit their nomination at this time in order to be included on the official ballot.

#### **II. Deadline for Submitting Nomination:**

Nominations must be received no later than \_\_\_\_\_, 20\_\_ at 4:00 P.M. via email or fax or regular mail to management as follows:

VEO Carson Homeowners Association c/o IDS Asset Management, LLC  
7700 Irvine Center Drive, Suite 800 Irvine, CA 92618  
Fax: (949) 713-5445  
Email: CustomerCare@idsassetmgmt.com  
Phone number in case of questions: (949) 713-5665

The Association shall not disqualify a person from nomination without first providing the Member with the opportunity to engage in Internal Dispute Resolution (IDR) pursuant to California Civil Code Section 5900, et. seq. You may request a copy of the Election Rules by contacting management. Election Rules will also be sent out with the list of candidates.

Thank you for your interest and participation in the Association's election of Directors.

Sincerely,

The Board of Directors  
VEO Carson Homeowners Association