

Voting Policies and Procedures

***Sundance Community
Association
Effective February 27,2020***

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Introduction

The Sundance Community Association, in response to changes in state law, has adopted the following rules, policies, and procedures for the conducting of the Association's voting and election processes.

It is the intent of the Association to ensure the most comprehensive and balanced guidelines for our Members. In order to accomplish this we have made the required revisions with you, the Member, in mind. We sincerely hope our efforts in compiling these policies and procedures has in some way made this process more easily understandable and will encourage your participation in the business of the Association.

These rules, policies, and procedures apply to all matters of the Association which are regulated or otherwise controlled by a Membership voting requirement. Included are votes related to selection of Delegates, Directors, amendments to the Associations' Governing Documents, regular assessment increases which exceed the authority of the Board of Directors, special assessments, and the granting of exclusive use of common area property.

Please be advised, these guidelines do not contain all of the information which may apply to your rights and responsibilities in matters regarding voting on issues and electing representatives who will be conducting the affairs of the Sundance Community Association. Additional provisions are contained in the Association's Governing Documents, specifically the By-Laws and CC&Rs, and should be reviewed by all Members of the Association in order to guarantee a complete and thorough understanding in these matters.

General

In accordance with the Association's Governing Documents, any person who meets the qualifications to serve as a Delegate is eligible to be appointed by the Board as a Delegate or Alternate Delegate. The Delegates, are essentially "vote carriers" and will vote in general accord with the will of the particular districts that the Delegate represents.

Any person who satisfies the qualifications to run for the Board, are eligible to run for positions on the Board of Directors.

All voting and elections shall be conducted in accordance with all applicable local, state, and federal statutes as may apply.

No Association funds shall be expended for the purposes of campaigning in connection with any vote or election other than those specifically required to distribute required correspondences, notices, or forms which may contain the names of candidates or descriptions of issues being voted upon. Specifically excluded is the expenditure of association funds for (1) the purposes of expressly advocating approval, election, or defeat of any candidate and (2) campaign

purposes in connection with any other member vote except to the extent necessary to comply with duties of the Association imposed by law.

Candidate Qualifications

Delegates

All Members in good standing who reside in the Project, or an authorized agent or employee of Declarant or a Merchant Builder, are eligible to be appointed by the Board as a Delegate or Alternate Delegate.

"Good Standing" shall be construed to mean that the Member is not delinquent in the payment of monthly or special assessments in an amount equal to or greater than one month's assessment for a period of time no greater than thirty (30) days.

Directors

Candidates for the Board must be Members at the time of their nomination and must meet all qualifications or restrictions set forth in these Voting Policies and Procedures. In the case of a Member that is not a natural person (such as a corporation or other entity), the entity Member shall have the power to appoint a natural person as the "Member" for purposes of director elections. The Association shall disqualify a nominee for the Board for any of the following reasons:

1. The nominee is not a Member.
2. If the nominee, if elected, would be serving on the Board at the same time as another owner of the same separate interest and the other person is either properly nominated for the current election or is an incumbent director.
3. If the nominee, at the time of nomination, is delinquent in the payment of regular and/or special assessments. A nominee shall not be considered "delinquent" if the delinquency relates to the payment of fines, fines renamed as assessments, collection charges, late charges, or costs levied by a third party and/or if the nominee: (a) has paid the regular or special assessment under protest; (b) has entered into a payment plan for repayment of the delinquent assessments and is not delinquent in payments due under the plan; or (c) the nominee has requested and has not been provided an opportunity to engage in internal dispute resolution.
4. If the nominee has been a member of the Association for less than one year.
5. If the nominee discloses, or if the Association is aware or becomes aware of, a past criminal conviction that would, if the Member was elected, either

prevent the Association from purchasing the fidelity bond coverage required by Civil Code section 5806 or terminate the Association's existing fidelity bond coverage.

Nomination Procedures

Nominating Timeframe

Nominations for Director shall be received no later than sixty (60) Days prior to the meeting date for the annual meeting of the Delegates.

Solicitation of Candidates

At least thirty (30) days before the deadline for submitting a nomination, the Association shall provide general notice of the procedure and deadline for submitting a nomination for the Board. Any Member who satisfies the qualifications and is not otherwise prohibited from running for the Board may place their name in nomination for the Board by submitting the nomination before the published deadline for receiving nominations. In addition, the Board shall appoint a Nominating Committee to nominate qualified candidates.

Nominating Committee

The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors and not being a candidate, and two (2) or more members of the Association.

The Nominating Committee shall be appointed by the Board prior to each annual meeting of the Delegates to serve from the close of such annual meeting until the

close of the next annual meeting and such appointment shall announced at each annual meeting.

The Nominating Committee shall make as many nominations for election to the Board as it shall in its discretion determine, but not less than the number of vacancies to be filled.

Candidate Registration List

The “Candidate Registration List” shall mean the list of candidates who will appear on the ballot. Upon request, the Association shall permit Members to verify the accuracy of their individual information on the Candidate Registration List at least thirty (30) days before the ballots are mailed. The Member shall report any errors to the Inspector of Elections who shall make the correction within two business days. The Association may, at its discretion, report any known errors to the Inspector of Elections. The Candidate Registration List shall be retained as “association election materials” as required by law. The names of all persons on the Candidate Registration List shall be set forth on the ballot.

Delegates

Appointment of Delegates

Delegates and alternate Delegates shall be appointed by the Board of Directors in compliance with Article II, Section 3(b) & (c) of the CC&Rs.

Campaign Protocols

Elections

The Board may, but is not required to, make Association media (e.g., newsletter, bulletin boards, website, or other notices provided to the Members) available to qualified candidates running for election to the Board for purposes that are reasonably related to the election in which that candidate is running. If the Board allows any candidate access to Association media, then all qualified candidates shall be allowed equal access to the same media.

All statements published in Association media pursuant to the “equal access” rules must identify the author or proponent. No anonymous statements will be permitted. The author and/or proponent of any statement or point of view shall be solely responsible and liable for the content of their statements. The Association shall not be responsible or liable for the content of any statement published pursuant to the “equal access” rules.

The Board of Directors shall have the right to review the content of any item submitted for distribution and seek a court ordered injunction to reject any submission which includes language or depictions which may be reasonably

construed as offensive or which may violate established local, state, or federal statutes.

No submission for distribution shall be edited for content. Modifications to formatting may be made so as to allow for space and/or media restrictions. Any formatting modifications which should become necessary shall be applied equally to all submissions and at no time shall any formatting be applied which may signify a preference or partiality.

Any expense which may be required for the distribution of submitted materials shall be borne solely by the submitting party. These expenses may include but are not limited to administrative services, reproduction costs, postage, and supplies. Any costs shall be approved and paid by the submitting party prior to distribution.

The Association shall provide at no cost, access to any Association owned common area meeting space to any Member or candidate advocating a point of view or opinion during the campaign period. Any such use of the common area facilities shall be regulated by any existing rules or regulations for such use.

All requests for access to common area facilities for campaigning purposes must be submitted in writing, shall be made in advance, and are subject to first come, first served priority scheduling.

Inspectors of Election

Appointment

Whenever there is a membership vote or election, the Board shall appoint one (1) or three (3) Inspectors of Elections, whose powers and duties shall be as set forth in Civil Code section 5100 *et seq.* The Board shall have the power to remove an Inspector of Election who ceases to meet the required qualifications, is unable or unwilling to perform their duties, or for other good reason, and to appoint a new Inspector of Elections in their place.

Qualifications

The Inspectors of Election may be any persons the Board reasonably believes to be independent with respect to the matter or matters being voted on and may include Members of the Association, but may not be (i) a member of the Board or a candidate for election to the Board or be related to a current member of the Board or a candidate for election to the Board or (ii) the Association's manager, accountant, legal counsel, or any other person, business entity, or subdivision of a business entity that is employed by or under contract with the Association to provide compensable services to it at and/or after commencement of the election process other than serving as Inspector of Elections.

The Board may authorize payment of Association funds to any third party appointed to serve as Inspector(s) of Election. No payment may be authorized for any Association Member appointed as Inspector(s) of Election.

Duties

The Inspector of Elections shall be responsible to perform their duties as follows:

1. Perform those tasks enumerated in Civil Code section 5110(c); and
2. Perform all duties impartially, in good faith, to the best of the Inspector of Election's ability, as expeditiously as is practical, and in a manner that protects the interest of all Members of the Association; and
3. Make any necessary corrections to the Candidate Registration List or the Voter List within two business days of being informed of an error by a Member or by the Association; and
4. Deliver (or cause to be delivered) the following documents to the members at least thirty (30) days before an election: (a) the ballot(s) by first-class mail and (b) a copy of these Voting Policies and Procedures by (i) individual delivery or (ii) by posting the internet website address where these Voting Policies and Procedures may be accessed on the ballot together with the phrase in at least 12-point font, "The rules governing this election may be found here: [*insert internet website address*]"; and
5. Retain the association election materials as provided herein.

Indemnification of Inspectors

The Association may, at the Board's sole discretion, indemnify the Inspector of Elections to the fullest extent provided by law. The Association shall have the power to purchase and maintain insurance to protect it and/or the Inspectors of Election against any liability asserted against the Association and/or against the Inspectors of Election arising out of the Inspectors of Election's acts and/or omissions relating to any Association vote or election.

Voting Rights

Voting Classes

The Association's CC&R's Article II, Section 2, provide definitions for and the rights of each Membership Voting Class in the Association.

Voting by Members

In any voting matter of the Association, each Member as defined in the Association's Governing Documents, shall be entitled to a single vote for each separate interest owned and for which regular assessments have commenced against such separate interest. Notwithstanding anything to the contrary in the Association's Governing Documents, all Members shall be entitled to vote, and no Member shall be denied a ballot for any reason other than not being a Member. Cumulative voting procedures shall be allowed for all election of directors where more than one (1) vacancy is being filled.

Voter List

The Association shall maintain a "Voter List" which shall include for each separate interest: the Member's name; voting power; and, unless the Member has "opted out" of the public distribution of their address, the physical address of the Member's separate interest, or the parcel number, or both, and the mailing address of the Member if it is different than the physical address of the separate interest (or if the parcel number is used). Upon request, the Association shall permit Members to verify the accuracy of their individual information on the Voter List at least 30 days before the ballots are mailed. The Member shall report any errors to the Inspectors of Election who shall make the correction within two business days. The Association may, at its discretion, report any known errors to the Inspectors of Election. The Voter List shall be retained as "association election materials" as required by law.

Voting by Delegates

Pursuant to Article II, Section 3 (g) of the CC&Rs, Delegates may not exercise any discretion whatsoever when casting the voting power represented by the Delegates at an Association meeting of the Delegates. The Delegates are merely vote carriers. Delegates and Alternate Delegates shall strictly comply with any instruction as may be forwarded to them either by written instruction or designated Proxy when casting their voting power. Accordingly, when voting on a Voting Proposal, each Delegate shall cast all of the votes which he or she represents "for" or "against" toward such Voting Proposal (or for the individual candidates in the case of election of directors) in strict compliance with Article II, Sections 3(g) (i) & (ii) of the CC&Rs.

Voting Procedure

Notice of Election Information

At least thirty (30) days before the ballots are distributed, the Association shall provide general notice of all of the following: (i) the date and time by which, and the physical address where, ballots are to be returned by mail or handed to the

Inspectors of Election; (ii) the date, time, and location of the meeting at which ballots will be counted; and (iii) the “Candidate Registration List,” as defined herein.

Format and Content

For a vote on any of the matters specified in *Civil Code* section 5100(a), voting by the Members shall be conducted by secret ballot using a “double envelope system” as described in *Civil Code* section 5115(a). Ballots and two envelopes with instructions on how to return ballots shall be mailed by first-class mail or delivered to all Members in such vote or election. Ballots shall be distributed a minimum of thirty (30) days prior to the deadline for voting. These matters are: (i) elections regarding assessments legally requiring a Member vote, (ii) election and removal of directors, (iii) amendments to the governing documents, and (iv) grants of exclusive use of common area property pursuant to *Civil Code* section 4600.

For votes on any other matter, votes may be by secret ballot or by written ballot, and ballots may be distributed a reasonable time (which may be less than thirty (30) days) prior to the deadline for voting.

Ballots shall contain the names of all candidates on the Candidate Registration List, space for any write-in candidates, and a description of any other matter being addressed in the voting.

Secret ballots shall not contain nor require any identification indicators related to the voter. Specifically included are names, addresses, or lot numbers. Ballots shall not be signed by the voter if the voter wants their ballot to remain confidential.

Ballots shall contain identification information as to the delegate district it is being cast from.

Tabulation and Observation

The Inspectors of Election shall open all ballots and tabulate the votes at a properly noticed open meeting of the Board or Members in a manner that allows the Members to view the opening and tabulation. The Inspectors of Election may appoint additional persons to assist in the opening of ballots. Observers must remain at least five (5) feet from the area of opening and tabulation and not communicate, harass, or otherwise interfere with the Inspectors of Election and/or those assisting the Inspectors of Election in any manner whatsoever. The Inspectors of Election or the Board shall have the power and authority to cause the removal of any person who interferes with or disrupts the voting, opening or tabulating process. The Inspectors of Election may suspend the opening and tabulation process if anyone causes interference with or disrupts the process.

Reporting Election Results

The tabulated results of the election shall be promptly reported to the Board and shall be recorded in the minutes if reported at a meeting of the Board or recorded in the minutes of the next meeting of the Board if reported at a Member meeting. Within fifteen (15) days of the election, the Board shall give the Members general notice of the tabulated results of the election.

Retention of Election Materials

“Association election materials” shall mean the returned ballots, signed voter envelopes, the Voter List, proxies, and the Candidate Registration List. The association election materials shall at all times be in the custody of the Inspectors of Election or at a location designated by the Inspectors of Election for a period of one (1) year after the Inspectors of Election notifies the Board and Members of the election results, at which time custody shall be transferred to the Association. The Association shall retain the association election materials for the current fiscal year and prior two (2) fiscal years. At the expiration of the retention period all association election materials may be destroyed.

In the event of a properly noticed challenge, the ballots shall be made available for review and inspection by the challenging Member(s) and/or his or her appointed legal representative.

Proxies

Distribution

Proxies may be distributed to all Members in accordance with established guidelines. In no instance shall Proxies be distributed more than sixty (60) or less than ten (10) days in advance of a properly noticed meeting date established for the purposes of voting.

Content

All Proxies shall be consistent in content with the established guidelines as set forth in the Association's' Governing Documents or as may be mandated by local, state, or federal standards.

All Proxies shall include a separate sheet which will be formatted to allow the Member to provide instruction for the Proxy holder on each matter to be voted upon.

Validity

In no case shall any Proxy be valid for a period exceeding eleven (11) months from the date of its execution.

Penalties

California Civil Code Section 5145 provides the Members of the Association with certain legal rights. It is your obligation to know and understand these rights as they are set forth.

I, Patrick Stephens, am the Secretary of the SUNDANCE COMMUNITY ASSOCIATION, and certify that these Voting Policies and Procedures were duly adopted by the Board of Directors of the Association and came into effect on the 27 day of February, 2020.

Patrick Stephens

Secretary

March 7, 2020
Date