

Palomar Owners' Association

Palomar Owners' Association

ELECTION RULES

These rules have been adopted pursuant to Article VII, Section 7.4 of the Covenants, Conditions and Restrictions of Palomar Owners' Association and Civil Code Section 5105 and are intended to reflect and incorporate the requirements of the new law on association elections effective July 1, 2006. The provisions of the new election law supersede the existing provisions in the Bylaws or CC&Rs regarding elections. Therefore, in the event of any conflict between these rules and the existing provisions of the Bylaws or CC&Rs, these rules shall govern.

Definitions

1. As used in these rules, "Ballot" refers to a written document prepared in accordance with these rules and mailed to the members of the Association entitled to vote in a particular election.
2. Any other terms with initial caps not otherwise defined shall have the same meaning as in the Bylaws or CC&Rs.

Types of Elections Subject to These Rules

3. These rules shall be applicable to all matters requiring a vote of the members and shall be the only method for voting by the members on Association business.
4. Annual and special meetings of the members may still be called, but no vote on any matter requiring member approval may be conducted at such meetings except as provided in these rules.

Qualifications for Voting and Voting Power of Memberships

5. Subject to Rule 6 below, any Member of the Association shall be entitled to vote under these rules so long as he or she is a Member in Good Standing. A "Member in Good Standing" for purposes of these rules is an Owner whose right to vote has not been suspended by the Board due to violation of the governing documents. Any Member qualified to vote under this rule is considered a "Member Entitled to Vote" under these rules.
6. Co-Owners of a unit, if otherwise qualified, shall be considered as a single "Member Entitled to Vote" for purposes of these rules.
7. Each Member Entitled to Vote shall be entitled to cast one vote for each matter to be decided by the election. In Director elections, each position to be filled on the Board is considered a separate matter to be decided, so that a Member Entitled to Vote may cast the number of votes equal to the number of positions on the Board to be filled by the election.
8. There is only a single class of membership in the Association. Each vote by a Member Entitled to Vote is entitled to the same weight in any election.

Nominations of Directors

9. The qualifications for serving on the Board of Directors are as follows: the Director or candidate for Director must be a Member in Good Standing as defined in Rule 5. Any person meeting these qualifications may serve on the Board. Any person seeking election to the Board and meeting these qualifications will be considered a "Qualified Candidate" and eligible for election to the Board of Directors.

10. At least sixty (60) days prior to distribution of Ballots for election of Director, the Board shall send an Application for Position on the Board of Directors ("Board Application") to all Members. The Board Application will include a notice of the last date for submitting the Application. Any member meeting the qualifications set forth in Rule 9 above may nominate himself or herself as a candidate for the Board. Any such person shall complete, sign and return to the Nominating Committee (see below) the Board Application. All persons who return their completed Board Application on or before the deadline stated in the Application and who meet the qualifications set forth in Rule 9 shall be included on the Ballot for election of Directors.

11. At least thirty (30) days prior to distribution of the Ballots for election of Director, the Board shall appoint a Nominating Committee whose duties shall include reviewing all Board Applications to determine if a candidate meets the qualifications set forth in Rule 9 above. The Committee may also solicit persons to run for the Board, but shall require all such persons to complete the Board Application. In the event a Nominating Committee is not appointed by the Board, the Board shall serve as the Committee.

12. At least thirty (30) days before the date for distribution of ballots, the Nominating Committee shall report to the Board the identity of all persons who are Qualified Candidates and whose names shall appear on the ballot. If any person has submitted a Board Application and has been found by the Nominating Committee not to be a Qualified Candidate, the Nominating Committee shall notify such person in writing of its finding and the reasons why such person was found not to be a Qualified Candidate.

Election of Directors

13. The ballots for Director Elections shall set forth the names of all Qualified Candidates whose names have been placed in nomination at the time the ballot is issued. The ballot form shall also provide a space where the Member can designate a vote for another (i.e., write-in) candidate. Pursuant to Article IV, Section 4.5 of the Bylaws, cumulative voting is permitted. A Member may indicate multiple votes for the same candidate, up to the total number of votes the Member is entitled to cast for Director, on a single Ballot.

14. No minimum number of ballots is required to make a Director election valid; the persons receiving the most votes shall be elected as Directors.

Form of Ballot

15. Elections conducted under these rules shall be by a Ballot mailed to each member of the Association entitled to vote. Such written ballot shall set forth the proposed action and provide an opportunity to specify approval or disapproval of the proposed action.

16. Ballots shall state the time by which the Ballot must be received by the Inspector of Election in order to be counted. The deadline for return of the Ballots shall be at least thirty (30) days after the date of distribution of the Ballots, but the Board may authorize a longer time period for Ballot return.

17. The Ballot shall not on its face provide any method for identifying the member voting. Instead, a double envelope system shall be used in accordance with Civil Code Section 5115 in which the marked ballot is placed in a sealed envelope, which is then placed in another sealed envelope. The person voting must print and sign his or her name and indicate the address of the unit for which the Ballot is being cast

Distribution of Ballots

18. The Board may determine a record date for each election conducted pursuant to these rules and the owner(s) of record on such record date shall be entitled to receive a ballot for voting on the matter to be decided. If no record date is established by the Board, the record date shall be the date the ballots are mailed to the members.

19. Ballots and two preaddressed envelopes with instructions on how to return ballots shall be mailed by first-class mail to each Member Entitled to Vote at the address for the Member indicated in the Association records not less than 30 days prior to the deadline for voting. If an owner wishes to have a Ballot sent to an address different than the address indicated in the Association's records, such member must notify the Association in writing of the address to which the Ballot is to be sent prior to distribution of the Ballots.

20. One ballot will be provided for each unit in the event there are multiple owners of a unit. The owners must jointly decide how the ballot is to be completed. If a Ballot is misplaced, a duplicate Ballot will be provided upon written request of the Owner.

21. Proxies for elections conducted under these rules will not be distributed by the Association and may not be used in place of Ballots. Any portion of a proxy prepared by a Member or other person for use in an election under these rules that directs the manner in which the proxy holder is to cast the vote shall be set forth on a separate page of the proxy that can be detached and given to the proxy holder to retain.

Inspector of Election

22. There shall be a single Inspector of Election for all voting conducted under these rules. The Association's management company shall serve as the Inspector of Election.

23. The duties of the Inspector of Election shall be to determine the number of Members Entitled to Vote and the voting power of each; receive Ballots and determine their validity; count and tabulate all votes; determine when the polls shall close and voting be concluded; determine and announce the results of the election; hear and determine all challenges and questions in any way arising out of or in connection with the right to vote; and perform any other acts necessary to assure the fairness of the election. The inspector may appoint and oversee additional persons to count and tabulate votes.
24. The Inspector shall perform his or her duties impartially, in good faith, to the best of his or her ability, and as expeditiously as possible.
25. The Inspector may be compensated for his or her services as inspector as deemed appropriate by the Board.

Completion, Collection and Tabulation of Ballots

26. Each owner casting a Ballot must complete the Ballot pursuant to the instructions accompanying the Ballot, place the unsigned Ballot in an unmarked envelope and seal it, and place the unmarked envelope in an envelope addressed to the Inspector of Election at the address provided in the Ballot or in the instructions accompanying the Ballot. The two envelopes will be provided to each owner with the Ballot. No more than one ballot shall be placed in the two envelopes. Persons owning multiple units must use a separate double envelope for each unit owned.
27. In the upper left hand corner of the outer envelope containing the ballot, the Owner must sign his or her name, indicate the voter's name, and indicate the address or separate interest identifier that entitles the voter to vote. Failure of the Owner to sign his or her name on the outer envelope shall render the Ballot invalid. The outer envelope shall be sealed and mailed or delivered to the Inspector of election (or to a locked Ballot box) at the address provided in the Ballot Once delivered to the Inspector of Election, a Ballot is irrevocable.
28. The Inspector of Election shall keep the unopened Ballot envelopes (inner envelope) in a safe and secure location until the Ballots are opened and tabulated and the final results of the election announced to the members.
29. No one but the designated Inspector of Election or assistants designated by the Inspector may receive or handle the ballot envelopes or ballots until the envelopes are opened, the ballots are counted and the results announced to the members. If the Inspector of Election designates a location where the ballot envelopes may be placed in a locked ballot box, the Inspector shall have the only keys to the box until the election is completed.
30. The Ballots shall be counted and tabulated by the Inspector of Election in public at a properly noticed meeting of the Board or of the members. Upon tabulation of the written ballots, the Board shall notify the Members of the outcome of the vote within fifteen (15) days following the close of the balloting process and tabulation of the ballots. If the number of written ballots cast with respect to any matter is insufficient to satisfy the minimum voting requirements for the matter being considered, the

Board may extend the deadline for return of the ballots by a reasonable time and so notify the Members.

31. Following tabulation of the votes, the Ballots shall remain in the custody of the Inspector of Election until the time allowed by the governing documents for challenging the election has expired or for at least one year of the date the cause of accrues, whichever is longer.

32. In the event of a recount or other challenge to the election process, the Inspector of Election shall, upon written request, make the Ballots available for inspection and review by Members or their authorized representatives. Any recount shall be conducted in a manner that shall preserve the confidentiality of the vote.

Election Campaigns

33. If any candidate for the position of Director or any Member advocating a point of view relating to a particular election is provided access to Association media, newsletter or Internet Web site during a campaign, for purposes that are reasonably related to that election, the same access shall be provided to all other candidates or Members advocating a point of view, for purposes that are reasonably related to the election.

34. All candidates for the position of Director and any Member advocating a point of view relating to a particular election shall have access to Association common area facilities without cost for holding meetings or gatherings for purposes reasonably related to the election. For elections of Directors, upon the request of a Qualified Candidate a "Meet the Candidates" night shall be scheduled at which all Qualified Candidates may be present and speak to the members, but the common area meeting spaces shall not otherwise be made available to any candidate for purposes related to the election.