

MOUNTAIN MEADOWS COUNTRYSIDE HOMEOWNERS ASSOCIATION ELECTION RULES

Rules for the Election and Removal of Directors by Secret Ballot

In connection with the election and removal of directors, and in accordance with the California Civil Code Section 5100 et seq., the following rules and procedures shall apply:

1. **Frequency.** Elections for a seat on the Board of Directors shall be held at the expiration of the corresponding director's term and at least once every four years. Directors shall serve on the Board in staggered terms. The Board shall be elected by Secret Ballot by the Members at an annual meeting of Members called for that purpose, and when elected shall serve for a two (2) year term. There shall be two members elected in even years and three directors elected in odd years. Each Director shall hold office until (1) the expiration of the term for which the Director has been elected and (2) a successor to the Director has been elected, subject to the Director vacancy and removal provisions of Article VI, Sections 6.4 through 6.6 of the Association's Bylaws; the foregoing provisions shall automatically apply to each Director. Any person serving as a Director may be reelected, and there shall be no limitation on the number of terms which a Director may serve.

2. Meeting at Which Secret Ballots Shall Be Tabulated.

2.1 The inspector(s) of election or their designee(s) shall tabulate the ballots for the election and/or recall of directors at the annual meeting of the owners or a special meeting of the owners or at a special meeting of the Board of Directors duly noticed for the purpose of counting ballots.

2.2 The Board of Directors shall determine the date, time, and place of said annual or special meeting, of the owners and/or the special meeting of the Board of Directors in accordance with the Association's Bylaws.

The polls shall open and close as stated on the secret ballot distributed for each election or, if not stated, the polls shall open at the time of the meeting, and close at a reasonable period, thereafter, as determined by the inspectors of election.

3. Qualifications and Nomination of Candidates.

3.1 Notwithstanding anything to the contrary set forth in the Association's Bylaws, the only qualifications to be a candidate for election to the Board are as follows:

3.1.1 A candidate shall be a "Member" of the Association. If title to a unit is held by a legal entity that is not a natural person, the governing authority of that legal entity

shall have the power to appoint a natural person to be a “Member” for purposes of election to the Board.

3.1.2 Each candidate must not be delinquent (as defined in the Association’s collection policy) in the payment of any regular or special assessment levied by the Association (but not for nonpayment of monetary penalties, monetary penalties renamed as assessments, collection charges, late charges, or costs levied by a third party). For purposes hereof, a Member shall not be disqualified for failure to be current in payment of regular and special assessments if either of the following circumstances is true: (1) the Member has paid the regular or special assessment under protest pursuant to Civil Code Section 5658; or (2) the Member has entered into a payment plan pursuant to Civil Code Section 5665.

3.1.3 A person may not be a candidate if the candidate discloses, or if the Association is aware of, or becomes aware of, a past criminal conviction that would either prevent the Association from purchasing the fidelity bond coverage required by Civil Code Section 5806 should the person be elected or terminate the Association’s existing fidelity bond coverage as to that person should the person be elected.

3.1.4 A person may not be a candidate if such person, if elected, would be serving on the Board at the same time as another person who holds a joint ownership interest in the same unit as the person and the other person is either properly nominated for the current election or an incumbent director.

3.1.5 A person may not be a candidate if such person has not owned their residence for at least a year.

3.2 The Association shall not disqualify a person from nomination if the person has not been provided the opportunity to engage in internal dispute resolution pursuant to Civil Code Section 5900 et seq.

3.3 Owners may nominate themselves or another person. Any candidate nominated by another person will be contacted to confirm that such candidate consents to having his or her name placed in nomination for election to the Board and meets the foregoing qualifications for candidacy.

3.4 All candidates who wish to serve on the Board of Directors and, if appropriate, have confirmed their willingness to run for election to the Board of Directors, shall be listed on the secret ballot if their candidate nomination form is received by the date stated on the form.

3.5 Write-in candidates are prohibited.

3.6 Nominations from the floor of the meeting are prohibited if there is electronic voting. However, if there is no electronic voting then nominations from the floor are prohibited

unless there are an insufficient number of candidates who were properly nominated prior to the meeting.

3.7 The Candidate Nomination Form must be returned to the Association at the address provided on, and by the deadline stated on, such form.

3.8 The Corporate Transparency Act passed by the United States Congress requires that Board members provide the following information: full legal name, date of birth, current residential address, and a unique identifying number from an acceptable identification document (passport, driver's license or other government issued identification document) on an annual basis or face criminal prosecution and significant monetary penalties.

All Board nominees must agree that they will provide such information if they are elected or appointed to the Board of Directors. The Corporate Transparency Act is being challenged in a number of Federal Courts and if it is held to not apply to community associations or if the Act is declared unconstitutional then this section of the Election Rules will be null and void.

4. Voter List and Candidate List; Right to Verify Accuracy of Individual Information.

4.1 The Association shall prepare a candidate registration list following the deadline for returning nominations. The Association shall also prepare a voter list at least thirty (30) days before the secret ballots are mailed, which list shall include for each owner, the name, voting power, and either the physical address of the voter's separate interest, the parcel number, or both. The voter list must also identify which members will vote by electronic secret ballot and which members will vote by written ballot. 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.

4.2 The Association shall retain, as Association election materials, both the candidate registration list and the voter list. The Association shall permit members to verify the accuracy of their individual information on both lists at least thirty (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 within two (2) days of discovery of the error or omission and, if appropriate, the inspector of election(s) shall make the corrections within two (2) business days of being informed of same.

5. Inspector(s) of Election.

5.1 The Board of Directors shall appoint one (1) or three (3) independent third parties as inspectors of election before the secret ballots are mailed to all the owners. An independent third party includes but is not limited to: a volunteer poll worker with the county registrar of voters; a licensee of the California Board of Accountancy; or a notary public. An independent third party may include a member of the Association provided such member is not

a member of the Board of Directors or a candidate for the Board of Directors or related to a member of the Board of Directors or a candidate for the Board of Directors. 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 of elections.

5.2 Upon appointment, the inspector(s) of election shall meet to determine, among other things, who shall prepare and deliver the nomination procedures, candidate nomination forms, notices, ballots and other information required by the Act (collectively, "Election Materials") to the members and to whom the Election Materials shall be returned on behalf of the inspector(s) of election (the "Ballot Collector"). The inspector(s) of election may delegate the task of preparing and delivering the Election Materials to a third party and may designate that Election Materials be returned to the inspector(s) of election in care of a third party. Only the inspector(s) of election shall be authorized to open and tabulate secret ballots.

5.3 The inspector(s) of election shall also do all the following:

5.3.1 determine the number of memberships entitled to vote and the voting power of each (note: the voting rights of an owner may not be suspended under any circumstances);

5.3.2 determine the authenticity, validity, and effect of proxies, if any;

5.3.3 receive ballots;

5.3.4 hear and determine all challenges and questions in any way arising out of or in connection with the right to vote;

5.3.5 count and tabulate all votes;

5.3.6 determine when the polls shall close;

5.3.7 determine the result of the election; and,

5.3.8 perform any acts as may be proper to conduct the election with fairness to all members in accordance with this section, the Corporations Code, and all applicable rules of the Association regarding the conduct of the election that are not in conflict with this section.

5.4 Additional Duties of Inspector of Elections if There is Electronic Voting.

The inspector or inspectors **shall** provide each member voting electronically with the following information:

5.4.1 A method to identify the member's identity for use of the internet-based voting system;

5.4.2 A method to transmit an electronic secret ballot to the internet-based voting system that ensures the secrecy and integrity of each ballot; and

5.4.3 A method to confirm, at least thirty (30) days before voting deadline, that the member's electronic device can successfully communicate with the internet-based voting system.

5.5 An inspector of election shall perform his or her duties impartially, in good faith, to the best of his or her ability, as expeditiously as is practical, and in a manner that protects the interest of all members of the Association. The decision or act of a majority shall be effective in all respects as the decision or act of all.

5.6 Any report made by the inspector(s) is prima facie evidence of the facts stated in the report.

5.7 The Board of Directors may remove and replace any inspector of election prior to the tabulation of ballots if an inspector of election resigns or if the Board of Directors determines that an inspector of election will not be able to perform his or her duties impartially and in good faith.

5.8 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 are independent third parties as defined herein.

6. **Election Timeline and Mailings.** The election timeline for delivering all the statutorily required documents to members is approximately 105¹ days without acclamation and 175 days with acclamation².

6.1 **Early Notice of Nomination Deadline** *(If Proceeding with the possibility of Acclamation)* At least 90 days before the deadline for submitting nominations, members must be provided by Individual Notice that contains the following information: (1) the number of open board positions to be filled at the election; (2) the deadline for submitting nominations; (3) the procedure for submitting nominations including the manner in which nominations can be submitted; and (4) a statement informing members that if, at the close of the time period for making nominations, there are the same number or fewer qualified candidates as there are board positions to be filled, then the board of directors may, after voting to do so, seat the qualified candidates by acclamation without balloting.

¹ If an Association will be utilizing electronic voting then **at least 120 days** before the election there must be an individual Notice of the Opt Out deadline (see section 6.2.)

² An election by acclamation is allowed if the association has held a regular election in the previous three years. The three-year time period is calculated from the date ballots were due in the last full election to the start of voting for the proposed election.

6.2 **Individual Notice of Opt Out Procedure**: At least thirty (30) days before the deadline to opt out of electronic voting (which is 90 days before the election), the Association must provide individual notice to members of the deadline to opt out of electronic voting. This notice must include 1) The member's current voting method; 2) the email address of the member that will be used for voting by electronic secret ballot if the member's voting method is by electronic secret ballot and the association has an email address for the member; 3) an explanation that the member is required to opt out of voting by electronic secret ballot if the member elects to vote by written secret ballot; 4) an explanation of how a member may opt out of voting by electronic secret ballot and 5) the deadline by which the member is required to opt out of voting by electronic secret ballot if the member elects to exercise that right.

6.3 **Nomination Procedures/Candidate Nomination Form**. (*If not using Acclamation*) At least 105 days before the date of the meeting at which the secret ballots for the election of directors or the vote to remove directors(s) and elect his/her/their replacement shall be tabulated, the Association shall, by individual notice, deliver to all members notice of the procedure and deadline for submitting a nomination, and a Candidate Nomination Form. The deadline for returning the Candidate Nomination Forms shall be at least 30 days from the date of the mailing.

6.4. **Individual Opt Out or Opt Back In**. Per 6.2 above, an individual must opt out at least ninety (90) days before an election. Further, a member can change their preferred method of voting from electronic secret ballot to written ballot or written ballot to electronic secret ballot no later than 90 days before an election.

6.5 **Reminder Notice**. (*If Proceeding with Acclamation*) Between 7 and 30 days before the deadline for submitting nominations, members must be provided by Individual Notice a notice that contains the following information: (1) the same information in the 90-day Initial Notice (see (1) through (4) listed in 6.1 above); and (2) a list of names of all the qualified candidates to fill the board positions as of the date of the reminder notice. A statement reminding members that if, at the close of the time period for making nominations, there are the same number or fewer qualified candidates as there are board positions to be filled, then the board of directors may, after voting to do so, seat the qualified candidates by acclamation without balloting. This statement is not required if, at the time the reminder notice is sent, the number of qualified candidates exceeds the number of open seats.

6.6 **Response to Nomination**. Within seven business days of receiving a nomination, the Association must acknowledge receipt of the nomination in writing or by email. Also, within seven business days of receiving a nomination, the Association must advise the nominee in writing or email whether the nominee is a qualified candidate. If a nominee is disqualified, the response must state the basis for the disqualification and the Internal Dispute Resolution procedure by which the nominee may appeal the disqualification.

6.7 **Election by Acclamation.** If all acclamation requirements are met, such that there are the same number or fewer qualified candidates as there are board positions to be filled after the nomination period has closed, the Board shall schedule an **open board meeting** to consider the qualified candidates elected by acclamation. This vote must be included as an item on the agenda and must name each qualified candidate that will be seated by acclamation if the item is approved by the board during the meeting. The meeting should be scheduled after all qualified candidates are known (IDR appeals completed), but before pre-ballot notice deadline, if possible.

6.8 **Mailing Prior to Secret Ballot Distribution.** At least sixty (60) days before the election (i.e., at least thirty (30) days before the secret ballots are mailed to owners), the Association shall provide general notice to the members of all the following:

6.8.1 The date and time by which, and the physical address where, ballots are to be returned by mail or handed to the inspector or inspectors of elections.

6.8.2 The date, time, and location of the meeting at which ballots will be counted.

6.8.3 The list of all candidates' names that will appear on the ballot.

6.8.4 Individual notice of the above paragraphs shall be delivered pursuant to Section 4040 if individual notice is requested by a member.

6.8.5 A statement that if quorum is not attained the board may call a subsequent membership meeting at which time the minimum quorum will be 20%.

6.8.6 If the Association has opted to use electronic voting the following additional information **must** be included in the general notice:

- (a) The date and time by which an electronic ballot must be cast; and
- (b) Preliminary instructions on how to vote by electronic secret ballot upon commencement of the voting period.

6.9 **Pre-Election Notice Requirements.** Thirty (30) days before the election, the Association **must** deliver notice to each member voting by electronic secret ballot instructions on:

- (a) How to access the internet voting system; and
- (b) How to vote electronically.

This delivery may be accomplished by electronic submission to an address, location or system designated by a member.

6.10 **Secret Ballot Procedure; Record Date.**

6.10.1 The inspector(s) of election shall cause the Association to mail by first-class mail or deliver to each member not less than thirty (30) days prior to the election:

(a) Ballots and two (2) preaddressed envelopes with instructions on how to return ballots; and,

(b) A copy of these election rules. Delivery of the election operating rules may be accomplished by either of the following methods:

(i) Posting the election operating rules to an internet website and including 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:"

(ii) Individual delivery.

6.10.2 Ballots must ensure the confidentiality of the voters.

(a) A voter may not be identified by name or separate interest identifier on the written ballot.

(b) The written ballot shall not require the signature of the voter.

(c) The written ballot itself is inserted into an envelope that is sealed. This envelope is inserted into a second envelope that is sealed. In the upper left-hand corner of the second envelope, the voter shall sign his or her name, indicate his or her name and indicate the address or separate interest identifier that entitles him or her to vote. The second envelope is addressed to the inspector(s) of election, who will be tallying the votes.

6.10.3 Owners may return their written secret ballot by mail, hand deliver it to the meeting or complete the ballot at the meeting; provided, only those ballots which are delivered to the inspector(s) of election prior to the polls closing shall be counted.

6.10.4 A member may request a receipt for delivery of his or her written ballot.

6.10.5 The record date for purposes of voting shall be the date the ballots are mailed to all the owners.

6.11 **Content of Ballot.** If the Association is using electronic voting, then the electronic secret ballot and the written ballot must contain the same list of items or candidates voted on.

7. Campaigning.

7.1 Association funds may not be used for “campaign purposes” in connection with any board election. The term “campaign purposes” is defined to include, without limitation, (1) “expressly advocating the election or defeat” of any candidate that is on the ballot; or (2) “including the photograph or prominently featuring the name of a candidate on a communication” from the association (except the ballot and voting materials and equal access communications sent pursuant to this Section).

7.2 If any such access is provided at all, all candidates or members advocating a point of view during a campaign, including those not endorsed by the Board of Directors, shall be provided equal access to Association media, newsletters, or internet websites (if any) for purposes that are reasonably related to the election. The Association may 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.

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

8. Handling of Ballots.

8.1 As secret ballots are returned to the Ballot Collector, the Ballot Collector shall check off on a sign-in sheet that a ballot has been received for such unit. Subject to validation by the inspector(s) of election, once a secret ballot is received by the inspector(s) of election, it shall be irrevocable. Any subsequent ballots received for the same unit shall be deemed invalid and shall be discarded.

8.2 The sealed ballots at all times shall be in the custody of the inspector(s) of election or at a location designated by the inspector(s) until delivered to the inspector(s) at the meeting for the opening of the ballots and the tabulation of the vote.

8.3 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.

8.4 The inspectors of election shall not:

8.4.1 Deny a ballot to a member for any reason other than not being a member at the time when ballots are distributed.

8.4.2 Deny a ballot to a person with general power of attorney for a member.

8.5 After the tabulation of the vote and for one (1) year after the election or removal, election ballots shall be kept in the custody of the inspector(s) of election. After such time, the custody shall be transferred to the Association. If there is a recount or other challenge to the election process, the inspector(s) of election shall, upon written request, make the ballots available for inspection and review by an Association member or his or her authorized representative. Any recount shall be conducted in a manner that preserves the confidentiality of the vote.

9. Tabulation of Votes; Quorum Requirement; Adjournment.

9.1 All votes shall be counted and tabulated by the inspector(s) of election or their designee(s) in public at a properly noticed open meeting of the members or of the Board of Directors. A quorum of members or a quorum of Board members, as the case may be, must be present if required by the Association's governing documents. Each ballot received by the inspector(s) of election shall be treated as a member present at a meeting for purposes of establishing a quorum.

9.2 The inspector(s) of election shall confirm that no more than one (1) ballot was returned for each unit, and that:

9.2.1 The printed name of the member on the upper left-hand corner of the envelope is legible and matches the name of at least one of the record owners of the property as shown on the Association's membership list;

9.2.2 The member's signature is on the address envelope; and

9.2.3 The address shown on the address envelope corresponds to the member's address on the Association's membership list.

If, in the sole discretion of the inspector(s), the requirements above are not met, the envelope will not be valid for any purpose, including establishing a quorum.

9.3 The ballot of a person with general power of attorney for a member shall be counted if returned in a timely manner.

9.4 Any candidate or other member of the Association may witness the counting and tabulation of the votes from a reasonable distance of no less than five (5) feet from any inspector.

9.5 A person, including a member of the association or an employee of the management company, shall not open or otherwise review any tally sheet of votes cast by electronic secret ballots before the time and place at which the ballots are counted and tabulated.

9.6 In order for the vote for the election of directors to be valid, ballots must be returned as required by the Association's governing documents. Except as may otherwise be

provided by the Davis-Stirling Act or other law, there shall be a quorum requirement for the Members to vote and transact business, and the affirmative vote of the majority of the voting power represented at the meeting, entitled to vote, and voting on any matter shall be the act of the Members, unless the vote of a greater number of the Members is required by law or by the Governing Documents. Notwithstanding the foregoing, if a meeting of Members is actually attended by Members having less than fifty one percent (51%) of the voting power of the Association (pursuant to Section 15 of the CC&Rs), then the only matters that may be voted on at such meeting are those matters of which the general nature was given in the notice.

9.7 There is a fifty-one percent (51%) quorum requirement for director elections. Should the meeting/election be adjourned due to lack of a quorum the statutory (Civil Code section 5115(d)(2)) decrease in quorum applies (quorum reduced to twenty percent (20%)) to board elections and not director removal elections.

9.8 At least 15 days before the date for the adjourned meeting an announcement must be sent specifying the date, time, and place of the meeting and stating the list of candidates. This new notice must be sent within a few days of the adjournment of the meeting to a new reduced quorum meeting.

10. Announcement of Results.

10.1 The results of the election shall be promptly reported to the Board of Directors 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.

10.2 Upon certification of the election results by the inspector(s) of election, the newly elected Board members shall be deemed to have taken office.

10.3 Within 15 days of the election, the board shall give members general notice pursuant to Civil Code Section 4045 of the tabulated results of the election.

11. **Retention of Voting Materials.** The sealed (or, after tabulation, returned) ballots, signed voter envelopes, voter list, proxies, candidate registration list and tally sheet of votes cast by electronic secret ballot shall at all times be in the custody of the inspector or inspectors of elections or at a location designated by the inspector or inspectors until after the tabulation of the vote, and until the time allowed by Section 5145 for challenging the election has expired, at which time custody shall be transferred to the Association. If there is a recount or other challenge to the election process, the inspector or inspectors of elections shall, upon written request, make the ballots and the tally sheet of votes cast by electronic secret ballot available for inspection and review by an Association member or the member's authorized representative. Any recount shall be conducted in a manner that preserves the confidentiality of the vote. Signed voter envelopes may be inspected but may not be copied.

12. **Electronic Voting.** The Board of Directors, **at its option**, may authorize any election to be conducted by electronic voting, except for elections involving the approval of assessments. Such an election by electronic voting may be announced to the general membership any time, subject to the following conditions:

- (a) upon notification that electronic balloting will be used in any election, members **shall** be informed that they may opt out of electronic voting and receive a mailed ballot. A member **must opt** out at least ninety (90) days before an election;
- (b) separate written ballots will be provided to members who opt out of electronic voting, or any member for whom the Association does not have an email address; and
- (c) the Association shall maintain a voting list identifying which members vote by electronic secret ballot and which members will vote by written secret ballot.

12.1 **Annual Disclosure Of Opt Out Obligation.** The Association must disclose annually the Association's electronic voting opt out procedures in the Association's year-end policy statement distributed pursuant to Civil Code section 5310.

12.2 **E-Mail Address.** A member who votes by electronic secret ballot must provide a valid email address to the Association.

12.3. **Notice.** Individual notice may be electronically delivered to an email address designated by a member.

12.4 **Ballot.** A vote made by electronic secret ballot is effective when it is electronically transmitted to an address, location, or system designated by an inspector or inspectors of elections.

12.5 **An Electronic Vote Is Irrevocable.** A vote made by electronic secret ballot shall not be revoked.

12.6 **If No E-mail Address on File.** If the Association does not have a member's email address required to vote by electronic secret ballot by the time at which ballots are to be distributed, the Association shall send the member a written secret ballot.

12.7 **Quorum.** For purposes of determining a quorum, a member voting electronically shall be counted as a member in attendance at the meeting. Once the quorum is established, a substantive vote of the members shall not be taken on any issue other than the issues specifically identified in the electronic vote.

12.8 **Opening of Ballots.** As with written ballots, no one shall open or otherwise review any electronic voting tabulation sheets before the time and place at which the ballots are to be counted and tabulated as notice.

12.9 **Requirements For Internet-Based Voting Systems.** In order to properly implement electronic voting, any internet-based electronic voting system must have the ability to: (i) Authenticate the member's identity; (ii) Authenticate the validity of each electronic secret ballot to ensure that the electronic secret ballot is not altered in transit; (iii) Transmit a receipt from the internet-based voting system to each member who casts an electronic secret ballot; (iv) Permanently separate any authenticating or identifying information from the electronic secret ballot, rendering it impossible to connect an election ballot to a specific member; and (v) Store and keep electronic secret ballots accessible to elections officials or their authorized representatives for recount, inspection, and review purposes.

12.10 **No Floor Nominations.** Floor nominations are prohibited if there is electronic voting. However, if there is no electronic voting then nominations from the floor are prohibited unless there are an insufficient number of candidates who were properly nominated prior to the meeting.

13. **Other Voting/Campaign Issues.**

13.1 **Cumulative Voting.** Cumulative voting is permitted.

13.2 **Proxies.** The Association's Bylaws (Section 4.6) permit an owner to give a proxy to another person to vote a secret ballot on the owner's behalf.

13.3 **Voting on Other Matters.** The Association may, but is not obligated to, vote by secret ballot on any other topic which requires the vote of the Owners.