

**COVENANT POINT COMMUNITY ASSOCIATION  
ELECTION RULES  
RULES FOR ELECTIONS BY SECRET WRITTEN BALLOT**

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 the California Corporations Code and the Association's Bylaws. The Election Rules contained herein are intended to comply with Civil Code section 5100 et seq. and should be interpreted as such.
  
2. **Membership Voting:** Pursuant to the Association's governing documents, the Association has the following voting classes:
  - a. **Class A Members:** Class A Members shall be all Owners, with the exception of the Declarant until such time as the Class B membership is converted to Class A membership, and shall be entitled to one (1) vote for each Lot owned. When more than one (1) person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they determine among themselves, but in no event shall more than one (1) vote be cast with respect to any Lot. The Association shall recognize the vote cast by a Co-Owner, unless another Co-Owner shall cast a conflicting vote, in which case, both votes shall be null and void, and not recognized by the Association. The non-voting Co-Owner or Co-Owners shall be jointly and severally responsible for all of the obligations imposed upon the jointly owned Lot.
  
  - b. **Class B Members:** The Class B Member shall be the Declarant and shall be entitled to three (3) votes for each Lot owned in the Project upon which Declarant is then paying the appropriate monthly Assessments provided for hereinbelow. The Class B membership shall cease and be converted to Class A membership upon the happening of either of the following events, whichever occurs earliest:
    1. The second anniversary of the first close of escrow for the sale of a lot pursuant to the original issuance by the DRE of the most recently issued Final Subdivision Public report for a Phase of the Project;
  
    2. The fourth anniversary of the first close of an escrow for the sale of a Lot pursuant to the original issuance by the DRE of a Final Subdivision Public Report for Phase 1.

At the first annual meeting of the Association, the Members shall elect the Directors in accordance with the provisions set forth herein. Except as otherwise provided by the Declarant's ability to appoint a majority of Directors as set forth in Article III section 2 and section 3 of the Association's Bylaws the two (2) Directors receiving the highest number of votes (or appointment by Declarant) shall each be elected for a term of two (2) years, and the one (1) Director receiving the next highest number of votes shall be elected for a term of one (1) year.

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 candidate list shall include the name and address of individuals nominated as a candidate for election to the board of directors. 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.
  
4. **Candidate Qualifications:** The affairs of the Association shall be managed by a Board consisting of three (3) Directors, each of whom, except for those appointed and serving as first Directors, must either be a Member (i.e., Owner of a Lot), a natural person (i.e., human being) appointed to be a Member for voting purposes by the governing authority of an Owner of a Lot that is a legal entity other than a natural Person (e.g., corporation, limited partnership, limited liability company, etc.) pursuant to applicable law, or, so long as Class B membership exists, a natural person other than a Member who is appointed by Declarant. Following the first annual meeting, the term of office for each successor Director shall be two (2) years.

Subject to Civil Code Section 5105, all Candidates for the Board must meet the following qualifications:

- a. The Candidate must be an Owner (except for those appointed and serving as first Directors) 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, excluding fines, fines renamed as Assessments, collection charges, late charges, or costs levied by a third party; provided, however, that a nominee shall not be disqualified for failure to be current in the payment of Regular and Special Assessments if (aa) the Candidate has paid the Regular or Special Assessment under protest pursuant to California Civil Code section 5658; (bb) entered into a payment plan pursuant to California Civil Code section 5665; or (cc) the Candidate has not been provided the opportunity to engage in internal dispute resolution pursuant to section 5900-5920 of the California Civil Code;
  
- 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 section 5806 or terminate the Association's existing fidelity bond coverage.

5. **Director Requirements:** To remain qualified to serve on the Board of Directors, an Owner who has been elected to the Board of Directors must:
  - a. Meet each and every of the requirements set forth immediately above to run as a Candidate.
6. **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 submitting a nomination by the deadline established in any candidate solicitation shall be included on the ballot and in any associated ballot materials.
7. **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.
  - a. **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.
  - b. **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 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.
8. **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.
9. **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:".

- 10. Proxies:** Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time for each meeting. Every proxy shall be revocable and shall automatically terminate upon the earliest of the following (a) the conveyance by the Owner of his Lot; (b) the date of automatic termination, if any, specified in the proxy, but not to exceed three (3) years from the date of issuance of the proxy; or (c) eleven (11) months from the date of issuance of the proxy, if no automatic termination date is specified in the proxy. Any form of proxy or written ballot distributed to the membership of the Association shall afford a Member the opportunity to specify a choice between approval and disapproval of each matter or group of matters to be acted upon at the meeting for which said proxy was distributed, except it shall not be mandatory that a candidate for election to the Board be named in the proxy. The proxy or written ballot shall provide that, where the Member specifies a choice, the vote shall be cast in accordance with that choice. In addition, the proxy shall also identify the person or persons authorized to exercise the proxy and the length of time it shall be valid. Any instruction given in a proxy issued for an election 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. The proxy holder shall cast the Member's vote by secret ballot.
- 11. 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 such period of time as is required by law.

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.

**12. 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.

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