SERRANO HEIGHTS COMMUNITY ASSOCIATION

ELECTION RULES AND PROCEDURES

1. Application of Rules: These rules shall apply to any meeting of the membership of a Delegate District or solicitation of membership of a Delegate District 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 California Corporations Code Section 7513, in which case the provisions of (A) Corporations Code Section 7513, (B) the Association's Bylaws, and (C) other applicable provisions of the California Corporations Code will apply to the exclusion of these Election Rules and Procedures. The Election Rules contained herein are intended to be in compliance 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 one class of Membership.

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 of a Delegate District 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 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 Association's property, business and affairs shall be governed and managed by a Board of Directors composed of five (5) persons.

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

   a. The Candidate must be an Owner. 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. For the purposes of these election rules, "current" means no regular or special assessment is past due by more than thirty (30) days, or such period of time as is specifically defined in the Association's collection policy;

   c. The Candidate may not hold a joint ownership interest in the same separate interest as any other candidate or incumbent director;

   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 §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 remain current in the payment of all regular and special assessments.

6. Nominations: Nomination for election to the Board may be made from any qualified Member. Any Member may nominate himself or herself as a Candidate. Every qualified Member returning a candidacy form by the deadline established in any candidate solicitation shall be included on the ballot and in any associated ballot materials. Nominations may be made from the floor at the annual meeting of Delegates or any other meeting of Delegates at which Directors are to be elected.

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 event, 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 Delegate District 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: The Association will not distribute proxies; however, every Member entitled to cast a vote at a meeting of the Members of a Delegate District shall be entitled to vote either in person, or by proxy. In order to be valid, proxies must satisfy the requirements of California Civil Code Section 5130. The granting of a proxy shall not authorize the retrieval of any ballot previously cast. Ballots, once cast, are final and irrevocable.

11. Inspector(s) of Election: Prior to the presentation of any issue to the Members of a Delegate District for a 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 from that Delegate District in attendance at any duly held meeting of such 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 a period of three (3) years following any election.

    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 cast for a meeting of the Members of a Delegate District shall be done at an open meeting of the membership of that Delegate District or the Board of Directors. Any Candidate or Member of such Delegate District 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 of the applicable Delegate District 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.

13. Meetings of Delegates: Voting by Delegates is not subject to the procedures for voting by Members at meetings of Delegate Districts; rather, such voting shall be done in accordance with the CC&Rs and Bylaws.