

## OPERATING RULES FOR ELECTIONS

### Qualifications and Nomination of Candidates for Board of Directors:

Mandatory: Member of The Riviera Estates Association (the “Association”).

Desirable Qualities: An appreciation for the values of the community of the Association; an ability to work effectively with other board members, the Building Committee and the manager of the Association and towards a consensus on the Association’s business; willingness to enforce the CC&C’s and abide by the Association’s Articles, Bylaws and Architectural Guidelines; and willingness to comply with the Davis-Sterling Act, which governs homeowners’ associations.

### Nominations of Directors, Procedures:

On or about September 1 of each year preceding an annual meeting (“Annual Meeting”), the board may form a nominating committee or act as the nominating committee.

Commencing on September 1 preceding each Annual Meeting, each member of the Association may submit one or more nominees in writing by mail, fax or e-mail to the Association’s office. A nomination is valid, only if the Association confirms with the nominee his or her willingness to serve. Each confirmed nominee may, and is requested to, submit a short biography (no more than half a page). Typically the biography includes a few notes on personal topics such as length of residency in the Palisades and the Riviera, community service, service organizations to which you belong, primary activities, and perhaps household members, and education. The biography will be included in the mailing of notice (“Annual Mailing”) of the Annual Meeting, if the Association’s office receives the biography no later than October 1 preceding the Annual Meeting.

Future Annual Mailings will include an announcement of the qualifications of candidates for the board, the right of members to submit nominations, and the method and time period for submittals.

The name of a nominee shall be included in the ballots mailed to the members only if the nomination is received and confirmed no later than October 1 each year. The ballots will also contain a blank line or two for write-in votes.

### Other Elections, Procedures:

The procedures for other elections concluding with an Annual Meeting will include an announcement in the Annual Mailing or a separate mailing no fewer than 30 days before

the Annual Meeting. The procedures for other elections not concluding with an Annual Meeting will include an announcement in a separate mailing no fewer than 30 days before the ballots are due. The provisions below on Campaigns for Elections, Voting Periods, Inspector of Elections, Voting and Proxies shall apply to all elections except for these provisions by their terms applicable only to voting that concludes at an Annual Meeting.

Qualifications for Voting:

1. The qualifications for voting and the voting power of each member are set forth in Article Sixth of the Articles of Incorporation. In general:

The voting power and the property rights and interests of the members shall be unequal and based on the number of lot(s) each member owns in the Association's jurisdiction.

2. Except as provided in the By-Laws of the Corporation, Corporations Code §7612 shall apply. It provides:

"If a membership stands of record in the names of two or more persons, whether fiduciaries, members of a partnership, joint tenants, tenants in common, husband and wife as community property, tenants by the entirety, persons entitled to a vote under voting agreement or otherwise, or if two persons (including proxyholders) have the same fiduciary relationship respecting the same membership, unless the secretary of the corporation is given written notice to the contrary and is furnished with a copy of the respect to voting shall have the following effect:

(a) If only one votes, such act binds all; (b) If more than one vote, the act if the majority so voting binds all".

3. The By-Laws of the Corporation currently provide (but may be amended):

"When a building site is owned of record in joint tenancy or tenancy-in-common, the membership as to such building site shall be joint and the rights of such membership (including the voting powers arising therefrom) shall be exercised only by the joint action of all owners of such building site."

4. The Association's records of membership at the time the ballots are mailed are conclusive on entitlement to vote, and the Association and inspector of elections may rely on them.

Campaigns for Elections:

No candidate or member advocating a point of view shall be provided access to the Association's media, newsletter or Internet Website (if any) during any campaign for any purpose plausibly related to a pending election.

The areas-parkways owned or maintained by the Association are not common area meeting places within the meaning of Civil Code § 1363.03(a)(2). No candidate or member advocating a point of view, including those endorsed by the board, shall have access to the areas-parkways for purposes plausibly related to an election.

#### Voting Period:

The times when the polls open and close and whether taken entirely by mail shall be as set forth in the announcement sent with the mailing of the ballots.

The voting period for the election of directors shall be at least 30 days and shall conclude with the Annual Meeting. The time period shall begin when the ballots are mailed and shall end during the Annual Meeting at the time declared in the Notice of the Annual Meeting. Ballots for the election of directors may be mailed or delivered to the Annual Meeting.

Ballots for other votes taken at the Annual Meeting may be mailed or delivered to the Annual Meeting. The voting period for other votes taken at the Annual Meeting shall be the same as for the election of director(s).

The voting period and place (if any) for votes not taken at the Annual Meeting shall be at least thirty days from the mailing of the ballots to the members. The board may reserve the right to extend the time period.

Votes may be conducted entirely by mail, except for election of director(s) at the Annual Meeting and other votes concluding at an Annual Meeting.

For all elections, ballots mailed in must be received no later than 3:00 p.m. of the last day of the voting period as established by the board.

#### Inspector of Elections.

There shall be one independent third party inspector of elections. The inspector shall be appointed by the board. Unless the board determines otherwise, the inspector shall be the manager of the Association.

The inspector is authorized to appoint and oversee additional person(s) to verify signatures and to count and tabulate votes as the inspector deems appropriate, provided that each person is an independent third party. The inspector may appoint a member of the inspector's staff or a member of the Association who is not on the board as such an

additional independent third party. The inspector shall perform all the functions set forth in Civil Code §1363.03(c)(3).

Voting:

The Association's bylaws require a quorum for elections by the membership.

When required by law, voting shall be by secret ballot in accordance with Civil Code §1363.03(e). The law currently requires secret balloting for elections regarding assessments that legally require a vote, election and removal of members of the association board of directors, amendments to the governing documents, and the grant of exclusive use of common area property pursuant to Civil Code §1363.07. Write-in candidates are permitted. Votes shall be tabulated by the inspector(s) of elections or his or her designee in accordance with Civil Code §1363.03(f); reported in accordance with Civil Code §1363.03(g); and ballots held in the custody of the inspector until the tabulation of the votes and then retained by the Association in accordance with Civil Code §1363.03(h) and (i).

Proxies:

(1) Definitions:

(A) "Proxy" means a written authorization signed by a member or the authorized representative of the member that gives another member or members the power to vote on behalf of that member.

(B) "Signed" means the placing of the member's name on the proxy (whether by manual signature, typewriting, telegraphic transmission, or otherwise) by the member or authorized representative of the member.

(2) Proxies are permitted.

(3) Proxies shall not be construed or used in lieu of a ballot.

(4) Any instruction given in a proxy issued for an election that directs the manner in which the proxyholder is to cast the vote shall be set forth on a separate page of the proxy that can be detached and given to the proxyholder to retain. The proxyholder shall cast the member's vote by secret ballot. The proxy may be revoked by the member prior to the receipt of the proxyholder's ballot by the inspector of elections. The proxy shall be deemed revoked, when the inspector of elections receives a member's ballot before receipt of the proxyholder's ballot.

(5) The holder of proxies for more than five members may submit a single ballot and on the outer envelope containing the ballots then refer to or incorporate by reference the proxies themselves as the addresses of the members for whom the votes are cast. The persons signing the proxies understand and approve this procedure.