

URBANOAK MASTER OWNERS ASSOCIATION  
RULES FOR ELECTIONS BY SECRET WRITTEN BALLOT

1. BALLOT MEASURES REQUIRING AN ELECTION BY SECRET BALLOT:

The term “**Ballot Measure**” shall mean a ballot proposing any of the following:

- a. Increases in regular or special assessments exceeding the limits set forth in California Civil Code section 5605;
- b. Amendments to the governing documents;
- c. Grant of exclusive use of common area to an Owner;
- d. Selling property of the Association with a value exceeding five percent (5%) of the budgeted gross expenses of the Association for that fiscal year;
- e. Title 7 Decision to Arbitrate;
- f. Board of Director Elections (“**Director Elections**”), including Class “A” Elections; and
- g. Any other matter which the Board of Directors, in its discretion, determines is necessary or desirable to include on the Ballot.

*Specific provisions applicable only to the Director Elections are set forth below in bold and italics. These provisions in bold and italics do not apply to any other Ballot Measures other than Director Elections.*

*Specific provisions applicable only to Class “A” Elections are set forth below in italics. These provisions in italics do not apply to any other Ballot Measures other than a Director Election which involves a Class “A” Election.*

Unless otherwise specified, all capitalized terms used in these Rules shall have the meanings set forth in the Bylaws of the UrbanOak Master Owners Association (“**Bylaws**”).

2. INITIAL BOARD OF DIRECTORS ACTION:

- a. The Board of Directors shall appoint one Inspector of Election (“**Inspector**”). The Inspector shall be any one of the following, as determined by the Board of Directors at an open Board meeting prior to the distribution of the Balloting Materials:
  - (i) the Association management company;
  - (ii) an Owner;
  - (iii) a paid consultant retained by the Association;
  - (iv) a volunteer poll worker with the county registrar of voters;
  - (v) a California notary public; or
  - (vi) a licensee of the California Board of Accountancy.

The Inspector may not be:

- (i) a current member of the Board of Directors;
  - (ii) a nominee for the Board of Directors;
  - (iii) related to a member of the Board of Directors; or
  - (iv) related to a nominee running for the Board of Directors.
- b. The Association shall indemnify the Inspector of Election in connection with services performed in good faith by the Inspector of Election related to the election.
  - c. The Board shall establish the record date for determining a Member’s eligibility to vote (“**Record Date**”), or the Board may delegate that authority to the Inspector of Elections.

Unless otherwise determined by the Board or Inspector of Elections, the Record Date shall be the date ballots are mailed.

- d. *The Board shall determine whether a Class "A" Election must be conducted.*
  - (i) *If it is the Initial Election of Directors (as defined in Section 5.4.3 of the Bylaws), then a Class "A" Election must be held.*
  - (ii) *At every Subsequent Election of Directors (as defined in Section 5.4.4 of the Bylaws), a Class "A" Election must be held if:*
    - (A) *there are two (2) classes of Membership or Declarant is entitled to cast a majority of the votes which may be cast by all Members; and*
    - (B) *the term of the sole Class A Director will expire at the Subsequent Election of Directors or has terminated due to resignation or removal.*

3. INITIAL INSPECTOR ACTION:

- a. The Inspector shall:
  - (i) determine the number and classes of Memberships entitled to vote;
  - (ii) determine the voting power of each Membership;
  - (iii) determine the authenticity, validity and effect of Ballots;
  - (iv) receive Ballots;
  - (v) hear and determine all challenges and questions in any way arising out of or in connection with the right to vote;
  - (vi) count and tabulate Ballots; and
  - (vii) determine the results of election and promptly report the results of the election to the Board of Directors.
- b. The Inspector shall designate the Association management company as the custodian of the sealed Ballots ("**Custodian**"), unless the Inspector determines that it is more appropriate for the Inspector to be the Custodian. The Custodian will receive Ballots, maintain a record of each Ballot as it is received, and stamp or mark the date of receipt on the Address Envelope.
- c. In addition, the Inspector may perform any acts which are proper to conduct the election with fairness to all Members in accordance with California Civil Code and the Association's governing documents.

4. VOTER QUALIFICATIONS:

- a. A Member is qualified to vote if he or she owns a Unit or Lot and is subject to Regular Assessments as of the close of business on the Record Date.
- b. Any qualified Member other than Declarant may cast one (1) vote per household.
- c. Declarant is not qualified to cast any vote with respect to a Title 7 Decision in an election where a Title 7 Decision (as defined in Section 2.7 of the Bylaws) is a Ballot Measure. Declarant may vote with respect to all other types of Ballot Measures. Members other than Declarant may vote with respect to all types of Ballot Measures, including Title 7 Decisions.

5. **BOARD OF DIRECTORS NOMINEE QUALIFICATIONS:**

*Any Member or non-Member may run for a position on the Board of Directors.*

6. **BOARD OF DIRECTORS NOMINATION PROCEDURE:**

- a. *The Board shall establish the period during which nominations may be made (“Nomination Period”).*
- b. *A Member who satisfies the Board of Directors Nominee Qualifications, described above, may nominate himself/herself (without the requirement of nomination by any committee or petitioning other Members) so long as the Member submits a written statement to the Association during the Nomination Period.*

7. **CAMPAIGN RULES:**

- a. The Association will not conduct a forum for Ballot Measures or nominees.
- b. Association funds shall not be used for campaign purposes in connection with any Association election, except to the extent necessary to comply with the duties of the Association imposed by law. For purposes of this paragraph, the Association can use its funds to have counsel (or other Board-designated individuals) prepare and review Ballots, and incur expenses to copy, print and mail Ballots to the Members consistent with the Association’s governing documents and California law. The Association can also add background information and an explanation of Balloting Materials. ***The Association will not use funds to distribute a biographical description and photograph of the candidates in the Balloting Materials.*** The Board may not support or oppose a Ballot Measure or candidate.

8. **BALLOTING MATERIALS:**

- a. The Board shall approve the Ballot, which shall set forth the deadline to submit Ballots (“**Voting Deadline**”). In addition, the Ballot may provide that the Board has authority to extend the Voting Deadline.
- b. The Board or Inspector, if the Board so delegates, shall determine the time and date when the polls close for each election (“**Poll Close Date**”), which cannot be less than thirty (30) days after the mailing of the Balloting Materials, and shall ordinarily be selected to satisfy the Voting Deadline. The Inspector may extend the Poll Close Date if the Board extends the Voting Deadline.
- c. The Board shall determine the date that the Balloting Materials must be mailed by the Association.
- d. The Association shall mail by first-class mail or deliver the Balloting Materials on the date determined by the Board.
- e. *If the Ballot Measure includes a Class “A” Election, the Association shall mail or deliver a separate Ballot to all Class “A” Members to elect a Class A Director (“Class “A” Election Ballot”), at the same time as the other Balloting Materials are distributed to all Members.*

- f. If the Ballot Measure includes a Title 7 Decision, the Association shall mail or deliver a separate Ballot on the Title 7 Decision (“**Title 7 Decision Ballot**”) to all Members, except Declarant, at the same time as the other Balloting Materials are distributed to all Members.
- g. The “**Balloting Materials**” shall include:
  - (i) Balloting Instructions;
  - (ii) Ballot;
  - (iii) *Class “A” Election Ballot, if applicable;*
  - (iv) Title 7 Decision Ballot, if applicable; and
  - (v) Two pre-addressed envelopes; one addressed to the Custodian (“**Address Envelope**”), the other addressed to “Insert Into Address Envelope” (“**Ballot Envelope**”).
- h. After casting his/her vote by marking the Ballot, the Member places the Ballot into the Ballot Envelope, which is then sealed. In order to preserve confidentiality, the Member should not be identified by name, signature, address, lot, parcel or unit number on the Ballot or the Ballot Envelope.
- i. The Member then inserts the Ballot Envelope into the Address Envelope, which is then sealed. In the upper left-hand corner of the Address Envelope, the Member prints and signs his/her name and prints his/her address and lot, parcel or unit number that entitles him/her to vote.
- j. Address Envelopes must be returned by first-class mail or hand delivery to the Custodian at the location specified on the Ballot prior to the Voting Deadline. Address Envelopes cannot be collected by any third party, other than the Proxy holder, to mail or deliver to the Custodian.
- k. The Custodian shall keep the unopened Address Envelopes until after tabulation of the votes, at which time custody must then be transferred to the Association. No person, including any Member or an employee of the Custodian, shall open any Address Envelopes or otherwise review any Ballot prior to the time and place at which the Ballots are tabulated by the Inspector.
- l. Ballots may not be revoked once they are submitted to the Custodian.

9. LOSS OR INADVERTENT OPENING OF BALLOTING MATERIALS:

- a. If a Member loses his/her Balloting Materials, the Member may request substitute Balloting Materials from the Association or Inspector, but the Member must sign a statement, under penalty of perjury, that the original Balloting Materials were (i) lost, (ii) destroyed or (iii) never received.
- b. The Inspector shall retain a record of each such request. If it is determined that a Member voted twice, only the first ballot received (based on the date stamp) will be counted.
- c. If the Custodian unintentionally opens the Address Envelope and/or Ballot Envelope, then the Ballot shall remain valid if the person who opened such envelope (i) signs a statement, under penalty of perjury, that the original Balloting Materials were unintentionally opened, and (ii) notifies the Member whose name appears on the Address Envelope, as soon as possible upon discovery of the inadvertent opening of the Address Envelope and/or Ballot Envelope.

10. VOTING BY PROXY:

- a. Each Member may vote by Proxy by filing a writing with the Secretary of the Association that identifies the person(s) authorized to exercise the proxy and the length of time it will be valid. Such writing must be signed and dated by the Member. A Proxy may be revoked by the Member at any time before a Ballot is cast.
- b. Each Member voting by Proxy must give the Proxy holder the Address Envelope, Ballot Envelope, Ballot, and Proxy instructions.
- c. Any Member instruction to the Proxy holder as to how to cast the Member's vote(s) shall be set forth on a separate page and retained by the Proxy holder.
- d. The Proxy holder shall mark the Ballot, place the Ballot into the Ballot Envelope and then seal it. No identifying information regarding the Member or the Proxy holder shall be placed on the Ballot or the Ballot Envelope.
- e. The Proxy holder shall then insert the Ballot Envelope into the Address Envelope, seal it, and then sign his/her name in the upper left-hand corner of the Address Envelope. The Proxy holder shall then print the name of the Member upon whose behalf the Proxy holder is voting and the address and lot, parcel or unit number that entitles the Member to vote.

11. **CUMULATIVE VOTING FOR DIRECTOR ELECTIONS:** *Cumulative voting shall be used in any vote to elect or remove Directors, as follows:*

- a. *Class "A" Members shall be entitled to cast a number of votes equal to the number of Directors to be elected multiplied by the number of Units/Lots owned.*
- b. *Class "B" Members shall be entitled to cast a number of votes equal to the number of Units/Lots owned multiplied by three (3) multiplied by the number of Directors to be elected.*
- c. *Every Member may cumulate votes and give them to a single candidate or distribute them among as many candidates as the Member thinks fit, as long as the total number of votes cast does not exceed the total number allotted.*

12. TABULATION OF VOTES:

- a. Based on the Voting Deadline and the actual Poll Close Date, the Board shall schedule and notice a meeting of the Members or Board at which the Ballots will be counted. Notices must be provided in accordance with the Bylaws.
- b. For a meeting of the Members, the Inspector shall determine whether sufficient Ballots are received to satisfy the quorum requirements prior to tabulating the votes. Ballots received are to be counted as Members present for the purpose of establishing a quorum.
  - (i) The Secretary shall verify that the Proxy holders who signed the Address Envelope have written authorization to vote for a Member.
  - (ii) If insufficient Ballots are received to establish a quorum, the Inspector shall immediately notify the Board. The Inspector may send ballots to those who have

not returned their ballot. The Inspector may extend the voting deadline to allow for additional mailings.

- c. ***For a Board meeting, the Inspector shall determine whether quorum requirements have been met prior to tabulating the votes.***
- d. The Inspector may appoint and oversee one or more Members other than a Director and other additional persons to assist in the tabulation of votes (“Assistant”).
- e. If quorum requirements are met, the Inspector may tabulate the votes:
  - (i) The Inspector shall count the Ballots cast by Proxy, tabulate the approvals and disapprovals of Ballot Measures, determine whether sufficient votes were received for Ballot Measures, and report the election results at the meeting in which the Ballots were counted.
  - (ii) *If a Class “A” Election is being held, the Inspector shall first count and tabulate the votes of all Class “A” Members for the election of a Class “A” Director.*
  - (iii) ***For Director Elections, the Inspector shall count the Ballots and determine election results in accordance with Section 5.4 of the Bylaws. At the Initial Election of Directors: The Class A Members shall elect two (2) Homeowner Directors for two-year terms, and the Class C Member shall designate three (3) Directors for three-year terms. At subsequent elections: Candidates receiving the greatest number of votes are deemed elected for two-year terms, unless it would result in not having at least two (2) Homeowner Directors (as defined in Section 2.3 of the Bylaws) on the Board. In that case, the candidate(s) who receive the greatest number of votes and who are not related to the Declarant will fill up to two Homeowner Director positions. After the two (2) requisite Homeowner Director positions are filled, then the remaining candidates receiving the greatest number of votes will fill the remaining positions on the Board, if any.***
- f. While the Members are encouraged to watch the tabulation process, no Member may be within ten (10) feet of the table where Ballots are being counted, and no Member may speak to the Inspector or Assistant during the tabulation process. The Inspector may ask questions of any Member, management company, or the Association’s attorney if he/she/they need to do so concerning a specific question in helping to determine the validity of a Ballot.
- g. The Secretary shall record the election results in the Association minutes and announce the results at the next open Board meeting.
- h. The Board shall publicize the election results to Members within fifteen (15) days of the date of the election.
- i. After tabulation of votes, Ballots shall be transferred to the Association and stored by the Association in a secure place for no less than one (1) year after the date of the election.