AVANTI MAINTENANCE CORPORATION

Rules for Voting Regarding Assessments Legally Requiring a Vote, Amendments to Governing Documents and Granting of Exclusive Right to Use Common Area by Secret Ballot

Pursuant to Civil Code Section 5100(a), when owners are to vote to approve assessments legally requiring a vote, amendments to governing documents and/or granting the exclusive use of common area to a member, the following must occur:

1. **Meeting at Which Secret Ballots Shall Be Tabulated**.

1.1 Unless the vote is being taken in connection with an annual meeting of the owners, the inspector(s) of election or their designee(s) shall tabulate the ballots for the vote to approve assessments legally requiring a vote, amendments to governing documents and/or granting the exclusive use of common area to a member at a duly noticed (regular or special) meeting of the Board of Directors, or at a special meeting of the members. The Board of Directors shall determine the date, time and place of said meeting.

1.2 The qualifications for voting and the voting power of each membership are as stated in the Association's governing documents.

1.3 The voting period for elections shall be at least thirty (30) days. 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.

2. **Inspector(s) of Election**.

2.1 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 of 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.

2.2 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.

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

2.3.1 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);

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

2.3.3 receive ballots;

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

2.3.5 count and tabulate all votes;

2.3.6 determine when the polls shall close;

2.3.7 determine the result of the vote; and,

2.3.8 perform any acts as may be proper to conduct the vote 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 vote that are not in conflict with this section.

2.4 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.

2.5 Any report made by the inspector or inspectors of election is prima facie evidence of the facts stated in the report.

2.6 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 reasonably determines that an inspector of election will not be able to perform his or her duties impartially and in good faith.

2.7 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.

3. **Voter List; Right to Verify Accuracy of Individual Information.**

3.1 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 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. The Association shall retain, as Association election materials, the voter list. The Association shall permit members to verify the accuracy of their individual information on such list 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 who shall make the corrections within two (2) business days.

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

4.1 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:

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

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

(a) 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:"

(b) Individual delivery.

4.2 Ballots must ensure the confidentiality of the voters.

4.2.1 A voter may not be identified by name or separate interest identifier on the ballot.

4.2.2 The ballot shall not require the signature of the voter.

4.2.3 The 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.

4.3 Owners may return their 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.

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

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

5. **Campaigning**.

5.1 Association funds may not be used for "campaign purposes" in connection with any election.

5.2 If any such access is provided at all, all 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.

5.3 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.

6. **Handling of Ballots**.

6.1 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.

6.2 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.

6.3 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.

6.4 The inspectors of election shall not:

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

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

6.5 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.

7. **Tabulation of Votes; Quorum Requirement**.

7.1 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.

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

7.2.1 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;

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

7.2.3 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.

7.3 Owners who have not previously submitted a ballot may complete one at the meeting and return it to the inspector(s) of election prior to the polls closing.

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

7.5 Any member of the Association may witness the counting and tabulation of the votes from a reasonable distance.

7.6 In order for the vote on the proposal to be valid, ballots must be returned by at least a quorum of the owners if a quorum is required by the Association's governing documents or applicable law and the requisite percentage of owners must vote to approve the proposal. If a quorum of ballots is not received, the ballots will not be counted.

8. **Announcement of Results**.

8.1 The results of the vote 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.

8.2 Within fifteen (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.

9. **Retention of Voting Materials.** The sealed (or, after tabulation, returned) ballots, signed voter envelopes, voter list, proxies, and candidate registration list 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 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.

10. **Other Voting Issues**.

10.1 Proxies. The Association's Bylaws permit an owner to give a proxy to another person to vote a secret ballot on the owner's behalf. However, proxies shall not be construed or used in lieu of a secret ballot. In such a situation, the proxyholder will fill out the ballot and enclose it in the "secret ballot" envelope. This envelope will then be enclosed in the second envelope, as discussed above. In the upper left hand corner of the second envelope, the proxyholder will sign his or her name, indicate his or her name and indicate the address or separate interest identifier that entitles the owner to vote; however, as the "voter", the proxyholder will sign and print his/her name underneath the name and address of the owner. The proxy must be returned with the ballot, but NOT placed inside the "secret ballot" envelope. If any instruction is given in a proxy issued for an election (or other vote) that directs the manner in which the proxyholder is to cast the vote, such instruction shall be set forth on a separate page of the proxy that can be detached and given to the proxyholder to retain. A proxy may be revoked by the owner prior to the receipt of the secret ballot by the inspector(s) of election. If a proxy and a secret ballot are received for the same separate interest, the proxy shall be deemed to have been revoked and the secret ballot shall be counted (if verified by the inspector(s) of election pursuant to these rules). If more than one proxy is received on behalf of a separate interest, the most currently dated proxy shall be counted.

10.2 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.